

DAILY REPORT

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LI XIANNIAN RECEIVES DANISH, PERUVIAN ENVOYS

OW040906 Beijing XINHUA in English 0844 GMT 4 Feb 86

[Text] Beijing, February 4 (XINHUA) -- Newly-appointed Danish Ambassador to China Arne Belling presented his credentials to Chinese President Li Xiannian here today. The ambassador arrived in Beijing on January 25.

On another occasion, Li Xiannian met Peruvian Ambassador Roberto Villaran Koechlin who presented his credentials to Chinese Vice President Ulanhu on December 30, 1985.

U.S. WEIGHS RESPONSES TO GORBACHEV PROPOSAL

OW041921 Beijing XINHUA in English 1908 GMT 4 Feb 86

[Text] Washington, February 4 (XINHUA) -- The United States is weighing three responses to Soviet leader Mikhail Gorbachev's recent proposal calling for the gradual elimination of all nuclear weapons, but a final decision is yet to be made. The U.S. National Security Council considered the three approaches at a meeting Monday. Today's NEW YORK TIMES disclosed the responses as:

-- U.S. Defense Secretary Caspar Weinberger suggested there is no need to change the U.S. position in the arms talks with the Soviet Union because Gorbachev's proposal of January 15 is a public relations effort of little substance.

-- In contrast, the Arms Control and Disarmament Agency wanted to respond positively to parts of the Soviet proposal. It called for "picking up" the Soviet suggestion to eliminate U.S. and Soviet missiles. The agency's approach also would seek a 50 percent reduction of Soviet SS-20 missiles in the Asian area of the Soviet Union.

-- The State Department offered the third response, which is similar on cutting medium-range weapons to the disarmament agency's proposal. It also suggested that the United States make moves in the area of strategic weapons and reassure the Soviet Union on U.S. intentions to honor the 1972 anti-ballistic missile treaty. The State Department's response favored amending the U.S. proposal to ban all mobile missiles. Instead it would seek a ban on multiple-warhead mobile missiles only. This would allow the United States and the Soviet Union each to deploy single-warhead nuclear missiles. The State Department also proposed that the U.S. take steps to shore up the 1972 anti-ballistic missiles treaty. This could include a commitment to honor the treaty for a specified period. State Department officials said Gorbachev's multipart proposal contained "some encouraging elements that require a positive U.S. response."

U.S. President Ronald Reagan is expected to respond formally to the Soviet leader's proposal in a letter. The U.S. also will seek suggestions from U.S. arms negotiators in Geneva and from European allies before issuing an official response. It is believed that the ultimate goals of the U.S. remain deep reductions in offensive arms and continued research on a space-based missile defense system, the Strategic Defense Initiative, popularly known as "star wars".

Gorbachev proposed that all nuclear weapons should be eliminated and that both superpowers should renounce development and deployment of "star wars" anti-missile systems. He also suggested that the two countries eliminate all of their missiles in Europe in the first part of his three-step plan. Britain and France would be allowed to keep forces during this stage but would have to agree not to enlarge them.

SOVIET MEDIA CRITICIZES REAGAN RESTATEMENT OF SDI

OW060737 Beijing XINHUA in English 0715 GMT 6 Feb 86

[Text] Moscow, February 5 (XINHUA) -- The Soviet Union today attacked U.S. President Ronald Reagan's State of the Union address as an indication that Washington was pressing ahead with plans to gain a free hand for a first nuclear strike through the "star wars" program.

The official Soviet news agency TASS, in a commentary from Washington, said that Reagan's annual address contained a "simplistic but very dangerous" approach to arms control. With the help of the "star wars" project, TASS charged, the United States "would like to make its nuclear arms arsenals invulnerable and to get a free hand for a first nuclear strike."

In his traditional speech to the Congress Tuesday night, Reagan announced his plans to increase defense outlay by about 25 billion dollars for the next fiscal year beginning October. According to the budget, spending for "star wars", formally known as the Strategic Defense Initiative, would rise to 4.8 billion dollars from this year's 2.7 billion. The draft federal budget was scheduled to be presented to Congress today. The President's speech, TASS said, boiled down to "the promise to continue the old policy of militarization, escalation of the arms race and its spread into outer space, state terrorism abroad and encouragement of 'big business' and curtailment of social programs at home."

On regional conflict, TASS accused the United States of trying "to incite local conflicts and expand intervention in the affairs of other countries" and following a policy of "threats and diktat." TASS also condemned Reagan's plans to cut social programs, saying he is following a policy of "guns before butter."

TASS deplored the fact that in his address Reagan failed to mention the latest Soviet disarmament proposals announced by Soviet leader Mikhail Gorbachev three weeks ago. So far failed to respond to the Soviet arms control offers. The Soviet Communist Party daily PRAVDA also denounced the "star wars" program. Assertions that the SDI program would go ahead despite last week's space shuttle Challenger's disaster showed the U.S. Administration's insensitivity, PRAVDA said.

EEC WILLING TO BETTER RELATIONS WITH CMEA

OW051634 Beijing XINHUA in English 1624 GMT 5 Feb 86

[Text] Warsaw, February 5 (XINHUA) -- The European Economic Community (EEC) has officially expressed willingness to resume negotiations with the Council for Mutual Economic Assistance (CMEA) on the normalization of bilateral relations, a local newspaper reported today. Willy de Clercq, president of the EEC committee, said in a letter to the CMEA general secretary that the EEC is willing to resume negotiations.

The CMEA suggested four months ago that the two economic communities restore bilateral relations. At the same time, the EEC committee suggested to the CMEA that each member state of the CMEA normalize diplomatic relations with the member states of the EEC. The committee emphasized that priority should be given first to the development of bilateral relations with individual socialist state before relations are normalized between the two economic groups.

High-level contacts on cooperation between the two European blocs started in 1977 but discontinued in 1980. For a long time the Soviet Union refused to recognize the EEC, though there have been some economic and trade agreements between member states of the two international organizations. In June of last year, when the Italian Prime Minister Bettino Craxi visited Moscow, the Soviet Union agreed to establish economic relations between the CMEA and EEC.

XINHUA NOTES SHULTZ REMARKS ON TIES WITH USSR

OW060804 Beijing XINHUA in English 0656 GMT 6 Feb 86

[Text] Washington, February 5 (XINHUA) -- U.S. Secretary of State George Shultz said today the Soviet Union "continues to pose the most profound challenges" to America but added that his country "must pursue constructive relations with the Soviets.

Speaking to the House Foreign Affairs Committee today, Shultz said U.S. security "depends on a policy of realism, strength and a willingness to solve problems through diplomacy." He said the summit meeting between U.S. President Ronald Reagan and Soviet leader Mikhail Gorbachev last November "was a good example, teaching some fundamental lessons about the conduct of diplomacy and negotiation in the modern age." Shultz stressed that American strength and constance of purpose "are a prerequisite to successful negotiations and a more constructive relationship with the Soviet Union." He said defense preparedness and maintenance of U.S. strategic modernization program, including the MX missile program and the Strategic Defense Initiative (SDI) program, remain "crucial."

"Now is the time to support our basic interests and our negotiating position at what could be a promising moment in the quest for a safer world," Shultz told the committee. He said the U.S. approached the Geneva summit "in a spirit of both aspiration and realism, and we will bring that spirit to our negotiations with the Soviets through the coming year." The U.S. "will pursue the Geneva negotiations with energy and good faith, and without artificial deadlines," Shultz said. He explained that the agenda for the summit planned for this year would embrace four sets of issues: arms reduction, regional conflicts, human rights and bilateral relations with the Soviet Union. However, the U.S. secretary of state did not say how Reagan would respond to Gorbachev's recent proposal for eliminating nuclear weapons in space and on earth by the end of the century. Reports said the U.S. has sent envoys to its allies for consultation, and there is word that the State Department favors some concessions while the Pentagon favors standing firm on past U.S. proposals. So far no date has been set for the summit meeting this year between Reagan and Gorbachev.

WEINBERGER SUBMITS 1987 DEFENSE BUDGET

OW060334 Beijing XINHUA in English 0243 GMT 6 Feb 86

[Text] Washington, February 5 (XINHUA) -- U.S. Defense Secretary Caspar Weinberger today submitted to the Congress a 311.6 billion dollars defense budget for fiscal year 1987, up 33.2 billion dollars or 11.9 percent from the current fiscal year's 278.4 billion dollars.

The new defense budget, which represents 27.5 percent of the U.S. Government's total spending, projects total actual spending of 274.3 billion dollars in fiscal year 1987 starting October 1. This is an increase of 6.2 percent over the final estimated total of 258.4 billion dollars of outlays for the current fiscal year, which ends September 30. The proposed military budget would dramatically increase space defense spending and maintain virtually every other major weapon program intact. The research program of the Strategic Defense Initiative (SDI), known as "star wars," would grow from 2.75 billion dollars in the current fiscal year to 4.8 billion dollars in fiscal year 1987, which represents a 75 percent increase.

The budget also includes 1.4 billion dollars for development of a new, mobile missile nicknamed Midgetman and 1.8 billion dollars to buy 21 MX test missiles and conduct research on new ways to base the 10-warhead missile. It asks for 3.1 billion dollars to purchase the first 21 Trident 2 missiles and 721 million dollars to design a new attack submarine.

As for conventional forces, the new budget seeks purchases of 840 M-1 tanks, 870 Bradley fighting vehicles, 300 armed armored command post carriers, 144 AH-64 Apache attack helicopters and 78 Blackhawk troop-carrying helicopters for the Army. It requests to buy 21 new ships for the Navy, including two Aegis cruisers, three Aegis guided missile destroyers, two oilers and one fast combat support ship. Also included in the budget are 191 fighter and attack planes for the Navy and the 294 for the Air Force. The budget proposes an increase in active-duty personnel of almost 14,000 to 2.18 million and a 4 percent military pay raise effective October 1, 1987. The Reagan administration expects an 8.2 percent increase of the 1987 defense budget in real terms so as to overcome the 5.1 billion dollars in outlays cut this year under the Gramm-Rudman balanced-budget law. But the administration's military buildup has faced a strong opposition in the U.S. Congress in the recent years. Critics said the administration could expect to receive no more than 260 billion dollars for fiscal 1987 and cuts in defense authorization could range from 60 to 90 billion dollars.

ARMS SALE TO JORDAN POSTPONED INDEFINITELY

OW041957 Beijing XINHUA in English 1949 GMT 4 Feb 86

[Text] Washington, February 4 (XINHUA) -- The U.S. Administration, in an apparent attempt to avoid a virtually certain veto by Congress, has decided to postpone indefinitely a 1.9 billion U.S. dollar arms sale package to Jordan, officials reported today. Secretary of State George Shultz, acting at the direction of President Ronald Reagan, informed Congress of the decision in a letter yesterday to Richard Lugar, chairman of the Senate Foreign Relations Committee. In the letter, Shultz promised to give Congress 30 days' notice before proceeding with the Jordan arms sale.

This was the second time the U.S. Government delayed the deal. The sale was first postponed last October and had been scheduled to proceed on March 1 unless Congress blocked it. Sources said that Congress, spurred by pro-Israeli groups, had indicated it would block the sale of advanced U.S. air-defense equipment to the Mideast country unless Jordan's King Husayn agree to enter into direct negotiations with Israel. According to administration officials, while they still hope to be able to offer the arms package, they acknowledged it was unlikely the issue will be raised again this year. Observers said that the decision to delay the sale indicated that, despite increased diplomatic efforts in recent weeks, there has not been any significant progress toward Mideast peace talks. Richard Murphy, assistant U.S. secretary of state for Mideast Affairs, went to Europe last month to confer separately with King Husayn and Prime Minister Shim'on Peres of Israel, but failed to achieve any concrete results.

XINHUA VIEWS REAGAN'S INTERNATIONAL ECONOMICS

OW010728 Beijing XINHUA in English 0710 GMT 1 Feb 86

["News Analysis: Reagan Switches His Stands on International Monetary Field"
(by Zhao Zijian) -- XINHUA headline]

[Text] Washington, January 31 (XINHUA) -- The Reagan administration is trying to change its free-wheeling stance in favor of certain control in international monetary field. This weekend, officials of seven industrialized nations will meet in Honolulu to seek a joint strategy for the May summit in Tokyo. U.S. officials said future

Next Tuesday, Reagan was about to direct Treasury Secretary James Baker in his State of the Union message to study ways to improve the international monetary system, or ways towards a more stable exchanges market.

Until recently, Reagan believed currencies should float freely according to market forces, with limited intervention if it is urgently justified. But now it looks that Reagan may have accepted the position of Baker and Deputy Treasury Secretary Richard Darman, who insist that there should be some target zones defining the value relationships between the world's various major currencies. What Reagan administration is doing is designed to correct the mounting trade imbalances during Reagan's terms. The huge trade deficit is politically a black mark and economically very real threatening.

Last September, the U.S. convinced Japan, Federal Germany, France and Britain to help drive down the dollar, with warnings that the U.S. Congress may pass the various protectionist trade bills if no other ways are found to resolve the deficit problem. Although the dollar has devalued about 20 percent between now and then, economists believe it should down at least another 15 percent in order to be really effective in correcting U.S. trade imbalances. However, the Reagan administration is beginning worry that the dollar may reverse its course and move upward again, which will dash the hope of seeing the result of lower dollar on U.S. trade performance. Besides, protectionism, which has not died down yet, may be reignited.

Apparently, these days are the most crucial. Last year, as Thursday's statistics showed, U.S. trade deficit hit a record high of 148.5 billion dollars, with December deficit of 17.4 billion dollars alone exceeded the deficit for the entire year of 1976 when the deficit was 17.3 billion dollars. The record should be what economists called the "bottom," because for a period of time the U.S. businessmen have to pay more for imports and earn less for exports owing to the lower dollar. Eventually, the "J" curve, that is, a short period of worsening followed by long improvement upward, would occur, perhaps after a year or 18 months of correction. Under such circumstance, the Reagan administration has to discard its arrogance of the past and humbly asked the other industrial partners to continually cooperate on keeping down the dollar, in order to realize the results of the "J" curve.

COLUMNIST CRITICIZES PRAVDA ARTICLE ON CAMBODIA

HK051027 Beijing RENMIN RIBAO in Chinese 4 Feb 86 p 6

["Jottings" Column by Yang Ru: "Pravda Does Not Speak the Truth:"]

[Text] A few days ago, PRAVDA carried an article obstinately asserting that the Cambodian issue has been solved "thoroughly and irreversibly" and, what is more, that the issue "has been solved by the Cambodian people on their own."

What does PRAVDA mean by the so-called "thorough and irreversible solution" to the Cambodian issue? It means that there is already a puppet regime in Cambodia, a puppet republic crowned with the name of the "Cambodian people." The article said: The "Coalition Government of Democratic Kampuchea does not have its own territory, its own people, or its own capital." The article even said: Actually, the so-called "Cambodian issue" does not exist; it is nothing but a "sheer invention" by Democratic Kampuchea, which "is now in its death throes."

In fact, we are afraid even Moscow itself may not believe that the Cambodian issue has been "thoroughly and irreversibly solved." If what the article claimed is true, why do 160,000 Vietnamese invasion troops still remain in Cambodia and why do the Vietnamese continue to send more troops to the country?

Even more ridiculous, PRAVDA concluded: "Let the disputes be eliminated at the conference table; and let the Cambodian people solve the Cambodian issue on their own, free of external intervention, and seek a compromise on the precondition that the Pol Pot clique is eliminated. This is the practical guideline for achieving normalization of the situation in the region." The article clearly revealed Moscow's plot. We cannot help but ask the question: If the "Cambodian issue" has already been "solved thoroughly and irreversibly," then what need is there to "eliminate" the disputes "through negotiations?" If the "Cambodian people have already solved" the issue "on their own," what is the need for them to "solve the Cambodian issue under the condition of no external intervention?" Obviously the article is illogical and self-contradictory, is it not?

To be frank, this is nothing strange. PRAVDA does not speak the truth, but tells lies. Therefore, the newspaper can hardly avoid contradicting itself.

GROMYKO URGES U.S. RESPONSE TO DISARMAMENT

OW040642 Beijing XINHUA in English 0630 GMT 4 Feb 86

[Text] Moscow, February 3 (XINHUA) -- Soviet President Andrey Gromyko today again urged the United States to respond to Moscow's latest disarmament proposal and its unilateral moratorium on nuclear tests, the TASS news agency reported.

In a Kremlin meeting with former U.S. Secretary of State Cyrus Vance, who is here on a private trip, Gromyko asked the U.S. Government to back up its words with deeds in an effort to eliminate nuclear weapons. "If the USA agrees to the Soviet proposals," Gromyko said, "their implementation could rid mankind forever of the nuclear threat, prevent the spread of the arms race into outer space and strengthen trust among countries and peoples," TASS said.

Last August, the Soviet Union unilaterally stopped nuclear tests and asked the United States to do the same. Soviet leader Mikhail Gorbachev announced on January 15 a proposal for ridding the world of all nuclear weapons by the year 2,000, and an extension of Moscow's nuclear tests freeze for another three months until March 31.

Calling for U.S. response to the tests ban, the Soviet president said a halt to the tests "could become the first and efficient step towards restricting the arms race." In a message two weeks ago, the Soviet parliament asked the U.S. Congress to use its influence with the U.S. Government to respond to the Soviet arms control offers. Gromyko said he hoped the American leadership would show political will to cooperate constructively with the Soviet Union on these issues. Vance replied that he favors an early search for accords along the road to the complete elimination of nuclear weapons, the Soviet news agency TASS said. He said the U.S. Government should "come up with a detailed point-by-point reply" to the Soviet proposals, according to TASS.

SHEVARDNADZE MEETS WITH U.S. AMBASSADOR

OW050400 Beijing XINHUA in English 0237 GMT 5 Feb 86

[Text] Moscow, February 4 (XINHUA) -- Soviet Foreign Minister Eduard Shevardnadze today told U.S. Ambassador Arthur Hartman that if Washington joined Moscow in halting nuclear tests it would create a favorable backdrop for this year's summit meeting between the leaders of both their countries. The official Soviet news agency TASS quoted Shevardnadze as telling Hartman that he hopes there will be no delay by the U.S. in "answering important Soviet proposals." Observers say Shevardnadze's remarks seem to indicate that the continued failure by Washington to respond to Moscow's unilateral moratorium on nuclear testing would cast a shadow over the proposed Soviet-U.S. summit meeting, when Soviet leader Mikhail Gorbachev visits the United States at a date yet to be fixed. Gorbachev announced on January 15 an arms control proposal for eliminating all nuclear weapons in the world in three stages by the end of the century and an extension of the Soviet nuclear tests ban for another three months. The freeze, declared last August, was to expire after five months on January 1.

In their meeting today, which TASS said was at the request of Hartman, the two discussed "some questions of Soviet-U.S. relations," TASS said. The Soviet foreign minister said there is still time for the United States to join in "the extended Soviet moratorium." The Soviet proposals, he said, offer a way out of the nuclear talks impasse, TASS said. If the U.S. Administration stops its nuclear tests as the Soviets have done, it "will create a favorable background for the meeting of the top leaders of the two countries," Shevardnadze said.

SOVIET MEDIA ON U.S. 'INTERFERENCE' IN PHILIPPINES

OW060746 Beijing XINHUA in English 0734 GMT 6 Feb 86

[Text] Moscow, February 5 (XINHUA) -- The Soviet mass media in recent days have accused the United States of interfering in the Philippine election. The news agency TASS said today it is quite evident that the United States, by sending a delegation of observers to the Philippines, aims at "further aggravating the situation in that country." TASS charged that Washington by "bringing political, economic and military pressures to bear on the Philippines, wants to keep its position in the country."

The Communist Party newspaper PRAVDA said today it is impossible to believe that the presence of U.S. warships near the Philippines is not connected with the election in that country, though Washington has claimed that the move has nothing to do with the Philippine situation. A TASS commentary said today that both the New Society Movement headed by President Ferdinand Marcos and the United Nationalist Democratic Organization led by Corazon Aquino have avoided making definite statements on the future of U.S. military bases in their country. TASS did not indicate which side Moscow supports, but noted that Washington is in favor of Corazon Aquino because Washington is "irritated and uneasy" over Marcos's independent tendency in his foreign

TELE policies. Imelda Marcos, the first lady of the Philippines, visited Moscow twice last year on official business. Friday is election day.

DEPUTY FOREIGN MINISTER KORNIYENKO LEAVES IRAN

OW041541 Beijing XINHUA in English 1506 GMT 4 Feb 86

[Text] Tehran, February 4 (XINHUA) -- Soviet First Deputy Foreign Minister Georgiy Korniyenko left here this morning after a three-day visit to Iran. According to Iran's official news agency, IRNA, he described his talks with Iranian officials as "frank, comprehensive and constructive". IRNA indicated that the relations between Iran and the Soviet Union would be improved though some differences still remained.

During his visit, Korniyenko met with Iranian Parliament Speaker Hashemi Rafsanjani, president 'Ali Khamene'i, Prime Minister Hoseyn Musavi and Foreign Minister 'Ali Akbar Velayati and held talks with Oil Minister Gholam Reza Aqazadeh and Deputy Foreign Minister 'Ali Mohammad Besharati. Today, he handed over a message from Supreme Soviet President Andrey Gromyko and conveyed warm greetings of Soviet leader Mikhail Gorbachev to President Khamene'i, IRNA reported. When he met with Foreign Minister Velayati Monday, they appointed heads of the joint economic commission which will resume its function at ministerial level in the near future. The commission has stopped work for several years.

Earlier, Iranian news papers had anticipated that Iran would resume its gas exports to the Soviet Union, which stopped in March 1980 because of disagreement on price. But this issue was not mentioned at the end of his visit. Korniyenko, who arrived here on Sunday, was the first high-ranking Soviet official to visit Tehran since 1979.

RYZHKOV SPEAKS ON SOVIET FOREIGN ECONOMIC TIES

OW060758 Beijing XINHUA in English 0710 GMT 6 Feb 86

[Text] Moscow, February 5 (XINHUA) -- Soviet Prime Minister Nikolay Ryzhkov said today that his country will not reject any chances to develop mutually-beneficial economic cooperation with foreign countries although it will rely mainly on its own resources to boost the economy.

On a Moscow-Davos television bridge, Ryzhkov told the participants in a symposium of the World Economic Forum held in Davos, Switzerland, that prospects are good for foreign countries to develop business cooperation with the Soviet Union during the next five-year plan period which begins this year. With improvement in the Soviet economic mechanism and higher efficiency of its foreign trade, he said, new forms of economic cooperation with foreign countries will emerge in the future. He told his audience that the possibility of establishing close scientific and technological ties with companies and enterprises in capitalist countries cannot be ruled out although there have been direct links of production between the Soviet Union and its East European allies. He added that the Soviet Union will not reject the offers of Western companies to invest in this country but the financial resources for developing the Soviet economy will come primarily from within the country.

Ryzhkov also took the opportunity to lash at the United States and some other Western countries for undermining international economic cooperation by adopting discriminatory measures such as trade embargo and restrictions on financial credits. A healthy inter-state economic relationship, he noted, can only be established on the principles of total equality, mutual benefit, strict observation of existing agreements and non-interference in internal affairs.

LIAOWANG ANALYZES SHEVARDNADZE JAPAN VISIT

HK060524 Beijing LIAOWANG in Chinese No 4, 27 Jan 86 p 8

[Article by Lin Ye: "The Soviet Foreign Minister's Visit to Japan"]

[Text] Soviet Foreign Minister Shevardnadze made a 5-day official visit to Japan that began on 15 January, thereby resuming regular consultations between the foreign ministers of the two countries after an 8 year interruption. A joint communique issued at the conclusion of the visit indicated that the two countries will start afresh negotiations on a peace treaty. Japanese-Soviet relations, which have been cool for a long time, have thus begun to ease.

Since Gorbachev occupied the position of Secretary General of the CPSU Central Committee in March 1985, the Soviet Union has focused its attention on improving relations with Japan. In his personal letter to Japanese Prime Minister Yasuhiro Nakasone last October and in his Supreme Soviet session speech last November, Gorbachev expressed a strong desire to improve Soviet-Japanese relations. This trend was embodied in the recent visit to Japan of the Soviet foreign minister.

Changes in Soviet policy toward Japan have always been linked with its strategy toward the United States. During the second session of talks between the Soviet and Japanese foreign ministers on 16 January, Shevardnadze officially proposed to convene a conference to ensure Asian security. Observers declared that this proposal was aimed at containing Japan and barring it from participating in research in the U.S. star wars program and to drive a wedge in the Japan-U.S. alliance in order to improve the Soviet Union's passive position in the Pacific region.

The Soviet Union changed its cold attitude toward Japan for political and economic reasons. After the Soviet invasion of Afghanistan, the United States and Japan adopted economic sanctions against the USSR. Economic exchange between the Soviet Union and Japan is gradually narrowing and the volume of trade between the two countries is sharply decreasing.

Although the Soviet Union has strengthened its economic ties with West European countries during this period, the heavy equipment it so badly needs for the development of its resources is under U.S. control, while Japan is a leader in electronic technology. This is why, in recent years, the Soviet Union has strived so hard to cooperate with Japan.

Besides, Gorbachev recently set the task of doubling the national income and gross industrial production of the Soviet Union by the year 2000. In connection with this, during the 12th 5-Year Plan which began this year, the Soviet Union will intensify construction of fundamental branches of industry and expand enormous energy to develop its resources in Siberia. To achieve this aim, cooperation with Western countries in the economic and technical spheres is essential.

Consequently, one of the main aims of the Soviet foreign minister's visit was to strengthen economic ties with Japan. On its part, Japan also devotes serious attention to resuming regular consultations between the foreign ministers of Japan and the Soviet Union and improving relations between the two countries.

In view of the intensification of the international situation, Japan has also sought since last year ways to broaden its dialogue with the Soviet Union. In order to further enhance Japan's role as a political power, Prime Minister Yasuhiro Nakasone perceives improvement in Japan-USSR relations as the last barrier to realizing a final solution -- in the diplomatic sense -- of the questions left over by World War II. In order to enhance Japan's position in the international arena, he considers it essential to maintain a dialogue with the other superpower.

On the other hand, the time has come for an improvement in Japan-USSR relations because of the Geneva summit meeting between the United States and the Soviet Union.

The recently announced Soviet-Japanese plan for Japanese cooperation in the construction of four major chemical combines valued at a trillion Japanese yen is extremely attractive in Japanese economic circles. Japan's periodic trade friction with the United States and Europe has also caused Japan to consider opening up an export outlet to the Soviet Union to offset the drop in exports to the United States and Europe. Everyone knows that the issue of Japan's northern territories is the major obstacle in improving Japan-USSR relations. The demand that the Soviet Union return the northern territories is Japan's invariable position, and a longstanding wish of the Japanese people.

During the talks, the foreign ministers of the two countries engaged in a heated argument on the question of the existence of a territorial issue between the two countries. The Japanese side repeatedly stressed that a solution of the territorial issue was the main topic for discussion at regular consultations between the foreign ministers, and a peace treaty could be concluded only after solving this issue.

Although at the beginning of the talks both sides stuck to their respective positions and would make no concessions to one another, they agreed after lengthy discussion to return to the basis of the joint communique of 1973, in other words, as the 19 January joint communique declared, to renew talks on concluding a Japanese-Soviet peace treaty, in the course of which issues left unresolved since World War II, which were affirmed in the 1973 joint Japanese-Soviet communique, will be discussed.

The Japanese Government considers this a Soviet concession because the territorial issue must be included in the unresolved issues. However, the Japanese public does not view this so optimistically and feels that the Soviet Union has not changed its previous position in any way and is trying to gain economic advantage in a round-about way without striving for the superficial, to seek practical interests. This approach is far from a sincere solution of the territorial issue.

Despite the fact that many contradictions exist between Japan and the Soviet Union, both sides, in their own interests, want to normalize the climate for broadening the dialogue. Before his departure from Tokyo, Foreign Minister Shevardnadze invited Prime Minister Nakasone to visit the Soviet Union, and Nakasone invited General Secretary Gorbachev to visit Japan. Commenting on the latest consultations between the foreign ministers of Japan and the Soviet Union, KYODO NEWS AGENCY noted that, although the consultations were held in a warm atmosphere, little substantial progress was achieved. The territorial issue also remained unresolved. KYODO also stressed that, under conditions of further increases in arms in the Soviet Far East, the Soviet threat will not decrease and, in connection with this, the Japanese Government is adopting an attitude of vigilance toward the Soviet strategic design.

WORKING GROUP SEEKS HONG KONG VIEW ON BASIC LAW

OW051621 Beijing XINHUA in English 1612 GMT 5 Feb 86

[Text] Hong Kong, February 5 (XINHUA) -- A Chinese working group on Hong Kong's basic law left for Beijing today after spending a month here. The 12-strong group, led by Lu Ping, general secretary of the State Council's Hong Kong and Macao Affairs Office, came to seek local opinions on the structure and content of the basic law. The law will spell out the system to operate in the Hong Kong special administrative region after China resumes sovereignty in 1997.

During their stay here, the working group met 1,100 people from various sections of society at more than 100 meetings. The group also visited government institutions, law courts, the stock market, factories, wharfs, schools, cultural centers, monasteries and the race course. They will submit the opinions they have collected to the second meeting of the Hong Kong Basic Law Drafting Committee, which will be held in Beijing in April.

CHINESE EXPLOSIVES SUCCEED ON HONG KONG MARKET

HK050442 Beijing XINHUA Hong Kong Service in Chinese 0741 GMT 24 Jan 86

[Report by Li Xianhua: "From 0 to 40 percent -- An Account of the Process of Opening Up the Hong Kong Market to China's Explosives for Civilian Use"]

[Text] Hong Kong, 24 Jan (XINHUA) -- Hong Kong is a hilly island with little land, so in building houses and roads, blasting is often necessary to tunnel through mountains and split rocks. The demand for explosives and equipment to do this work is great, and the annual sales volume of such materials amounts to HK\$25 million. At present, China holds 40 percent of the market for these products, but 4 years ago, China's explosives for civilian use had no place in the Hong Kong market. How is it possible for China's explosives to be so strong now on the Hong Kong market? We must begin with the general agent -- Lidashi [0448 6671 2514] International Development Corporation, Ltd.

The Difficulties Involved in Building the Business

When China's foreign trade department concerned was studying the market situation with some Hong Kong businessmen in 1981, they found that the market for explosives in Hong Kong was monopolized by foreign products. It was regrettable that China, which first invented explosives, did not even have a place in the market. In order to break this situation, they came together and began market research. They sent their men to large construction sites to determine the demand for explosives for civilian use and the specifications, prices, and origins of these explosives. Then they made contact with relevant departments of the Hong Kong Government and submitted their application for a license to operate. At the same time, they held several trial blasts of Chinese explosives. They invited relevant officials of the Hong Kong Government and the press, and the experiment was conducted by the "explosives kings" [pao wang 3514 3769] of Hong Kong. The result of the tests proved satisfactory. The "explosives kings" held that China's explosives were competitive with foreign products, the price was comparatively low, and they had bright prospects. At the same time, they made some suggestions on improving the quality of China's explosives.

After 9 months of preparation, "Lidashi International Development Corporation, Ltd", the sole agent for China's explosives, formally began operations on 21 July 1982 in Hong Kong, beginning a move into the Hong Kong market.

Establishing a Good Reputation

At the initial stage of setting up the business, the sale of Chinese explosives was very limited. Explosives are dangerous and they cannot be shipped with other goods, so shipping costs are especially high and often incur great losses. In order to keep the new business going, Lidashi Corporation swallowed losses for 6 months, before the situation turned. Marketing expanded to a certain degree and clients became steady. The company began to make some money.

In order to guarantee the prompt delivery of orders, Lidashi Corporation has the close cooperation of customs officials. Its trucks pass customs early in the morning every day, carrying some of the goods shipped to Hong Kong from the warehouse in Shenzhen.

Another notable example of maintaining a good commercial reputation at all costs is the supply of ammonium nitrates. At the initial stage of operations, factories in the hinterland did not have ammonium nitrate products to use for explosives. They had to rely entirely on foreign products. This method continued until a businessman of a certain country, who had supplied the ammonium nitrate, suddenly broke his word and suspended the supply. However, Lidashi did not stop supplying its clients and continued delivering explosives to them. It cost them five times the price for ammonium nitrate, but they did not raise the charge to the customers. The company thus established a good reputation for keeping its word and attaching importance to contracts.

Promoting Production With Marketing

China used to produce ammonium nitrate in the past, but it was mostly used in insecticides for farming and was not suited for explosives. This is because ammonium nitrate for explosive purposes should be granular and finely porous. Having experienced the lesson of a suspension in the supply of foreign products, Lidashi contacted departments concerned in the hinterland and sent samples of foreign ammonium nitrate to factories for research and trial production. In a few months, a factory in Nanjin succeeded in trial producing finely porous, granular ammonium nitrate, and it was produced in large quantity for export. Moreover, China-made ammonium nitrate is cheap and of good quality. It was rapidly accepted by clients. Today, China-made ammonium nitrate takes up 70 percent of this category in the Hong Kong market.

Lidashi Corporation has not only opened up an overseas market for China's explosives, but has helped in importing new technological information, which stimulates the factories in the hinterland to upgrade the quality of their products. An example, is the fuse. It was originally made with cotton yarn, but this easily knotted and became damp. Later it was improved by using plastic instead of cotton yarn to suit the requirements of the overseas market. Another example is the detonator. Formerly, China-made detonators only had 19 sections to delay explosion. Today, detonators are produced that meet the international standard of 30 sections. The rate of forming a complete set of China-made explosives for civilian use has been raised, and sales abroad have been promoted as well.

Both Parties in the Joint Venture Cooperate in Sincerity

Lidashi International Development Corporation, Ltd. is a joint venture of China Beifang [Northern] Industrial Company and a Hong Kong agent for the marketing of China's explosives in Hong Kong and Southeast Asia.

Another important factor accounting for the success of Lidashi Corporation in popularizing China-made explosive products in the Hong Kong market is the sincere cooperation between the two parties. They are not preoccupied with personal gains or losses, but have worked to open up the market abroad with heart and soul. The personnel concerned of the China Beifang Company modestly listen to and respect the suggestions of their Hong Kong partners on opening up the market and improving their products. In the course of operations, they have strictly abided by the accord and taken into consideration the interests of their partner. The other party has been enthusiastic and active and brought into full play their favorable conditions. They have made use of their social connections, expanded the marketing channels, and imported advanced products and technology. They have exerted their efforts in everything, effecting a rapid change in the situation. Such spirit of cooperation has helped Lidashi Corporation to overcome difficult situations on several occasions and to continue to develop its operations.

Through 4 years of hard work, China-made explosive products have now a rather solid foundation in the Hong Kong market. To Lidashi Corporation, this is only the beginning. The corporation is now working hard to continuously improve its products in order to promote the sales of Chinese explosives in all parts of the world, with Hong Kong as a display window.

MARCOS: TREATY NEEDED ON U.S. PHILIPPINE BASES

OW051850 Beijing XINHUA in English 1839 GMT 5 Feb 86

[Text] Manila, February 5 (XINHUA) -- President Ferdinand Marcos today stressed the need for renegotiation with the United States over the agreement on the two U.S. military bases in the Philippines before the agreement expires, said a presidential press release. Replying to a query by interviewer Ted Koppel in an U.S. television program "Nightline", the president said he has always maintained that the agreement on the Subic Naval Base and the Clark Air Base are needed by both the Philippines and the United States, and probably even Asia and the whole world. Marcos said, "Certainly, we would not stop you if you want to get out of the Philippines, but you will not be able to find replacements for Subic and Clark. But you are free to get out any time you think it wise to do so."

He explained that before the bases agreement expires in 1991, there must be negotiations on the use of the military facilities to put them under a formal treaty which should spell out clearly and categorically the obligations of each government. Under the present arrangement, "we have to beg from the U.S. Congress for what we consider your obligation as compensatory military package in payment for the military facilities which you do not consider as obligations, and this is very disappointing," he said.

Marcos' only opponent in the February 7 presidential election, Corazon Aquino, stated two days ago that she does not propose to renounce the existing military bases agreement. But before the agreement expires, a process of consultation will be undertaken so that an arrangement serving the best interest of the entire free world, and especially of the Filipinos, can be reached.

PHILIPPINES' CARDINAL SIN URGES CLEAN ELECTION

OW050743 Beijing XINHUA in English 0730 GMT 5 Feb 86

[Text] Manila, February 5 (XINHUA) -- Jaime Cardinal Sin, the influential archbishop of Manila, today appealed to President Marcos to ensure a clean and honest presidential election on February 7 amid reports about possible massive cheating and fraud.

Speaking at a press conference in his residence, Cardinal Sin noted that there was indications that those who are in power were abusing their authority. The coming election would be viewed as a manifestation of democracy in action, he said, adding in his open statement "ordinarily I would welcome such an exercise. Instead, I view it with fear and trembling." If the presidential election is marred by terrorism and vote manipulation, the consequences would be "dire", he warned. He emphasized that the election will be clean, if President Marcos wants it to be clean, because "it is he who holds the reins of power."

This is the third time that the Catholic Church in the Philippines officially expressed their views on the election. On January 19, Cardinal Sin published a letter, saying that there was a very sinister plot by some people and groups to frustrate the honest expression of the people's genuine will and money has flowed freely into the hands of common people to induce them to support particular candidates. On February 2, the Catholic Bishops Conference of the Philippines expressed in a joint pastoral letter their apprehension of flagrant violation of the electoral process, and said vote-buying, serious lies, black propaganda and physical violence and killings were happening. The letter called for vigilance to ensure the election to be free, honest and clean.

MARCOS REFUSES TO COMMENT ON WW II ACTIVITIES

OW261918 Beijing XINHUA in English 1830 GMT 26 Jan 86

[Text] Manila, January 26 (XINHUA) -- President Ferdinand Marcos today refused to comment on U.S. newspaper reports that he had worked with Japanese forces during the Second World War. He appeared before some 3,000 recruiters, overseas contract workers and their families in a basketball stadium here but declined to discuss published reports that he collaborated with occupying Japanese forces.

Marcos had claimed that he had led a guerrilla unit named "Ang Mga Maharlika" (the noblemen) in military operations against Japanese forces from 1942 to 1944. However, U.S. newspaper WASHINGTON POST earlier reported that documents culled in the U.S. Government archives suggest that Marcos did not head the guerrilla resistance unit but actually worked on behalf of Filipino politicians who collaborated with the Japanese forces. The report said Marcos promoted the cause of wartime president Jose P. Laurel, Sr., father of opposition vice-presidential candidate Salvador Laurel. The question whether Marcos was a heroic guerrilla leader has become a controversial issue during the current campaign between the president and the opposition leaders.

MILITARY ASSIGNED TO PROTECT PHILIPPINE BALLOTING

OW041610 Beijing XINHUA in English 1445 GMT 4 Feb 86

[Text] Manila, February 4 (XINHUA) -- The Philippine Armed Forces have assigned about 83,400 military men to all parts of the country to prevent violence in the coming Friday's presidential elections. This was announced here today by Lt. General Fidel Ramos, vice chief of staff and chief of the Philippine Constabulary. This does not include reserve forces for security missions against what he termed as "terrorist groups."

There are altogether some 250,000 enlisted men and officers in the Armed Forces of the Philippines. Ramos said that an average of six to seven police and constabulary special contingency teams have been created in each of the 74 provincial commands. At the same time, reserve units have been organized in all the 13 regional commands, he added.

Earlier in Davao City of the southern island of Mindanao, Ramos had expressed his confidence that the coming presidential elections could be conducted peacefully. As of February 2, however, the death toll in election-related violence has reached 40. The Catholic Bishop's Conference of the Philippines issued on January 25 a strongly-worded pastoral letter expressing "grave concern and great sadness" that electoral violence "is threatening to escalate to a level never experienced before".

MARCOS WARNS OF ARREST FOR PROTEST INSTIGATORS

OW051901 Beijing XINHUA in English 1848 GMT 5 Feb 86

[Text] Manila, February 5 (XINHUA) -- Philippine President Ferdinand Marcos today warned that he will order the arrests of those opposition leaders who will lead protest actions after the February 7 poll. The president made the warning in his address before some 150,000 persons who attended a grand political rally in a public square here.

He said the arrests of the opposition leaders will be his answer to the recent statement of opposition candidate Corazon Aquino that a civil war will erupt should Marcos cheat in the poll. He denied he will cheat, and promised that there will be an "honest, peaceful, and orderly" election, which he said he will surely win. He said that the government will fight the opposition with "legitimate force" if they insist on what he termed as "sowing violence, anger, hatred and civil war." He said he would order to arrest them if they don't desist from committing "acts of violence and vandalism."

There were reports of violence as followers of both camps today clashed and stoned each other in at least six Manila districts. Police said several arrests were made and an undetermined number of ruling party supporters suffered minor injuries. The watchdog commission on elections, meanwhile, announced that results of the nationwide presidential poll will be known in just 10 hours after the balloting.

BEIJING VIETNAMESE PROGRAM ANNOUNCES NEW FEATURE

OW040001 Beijing in Vietnamese to Vietnam 1100 GMT 3 Feb 86

[Text] Dear listeners: Over the past years, our station has received many letters from Vietnamese refugees asking for help in seeking information about their missing loved ones or in relaying their messages to Vietnam. "Ngoc Anh Letterbox" has so far helped in this matter.

At the request of these refugees and in the service of those awaiting news from the former, beginning 9 February, after the transmission of daily news during our station's broadcasts, and apart from the cast featuring "Ngoc Anh Letterbox," we will add the feature: "Relay of Messages." Please listen for it.

TEXT JOINT OFFSHORE OIL CONTRACT SIGNED WITH UK FIRM

OW051307 Beijing XINHUA in English 1231 GMT 5 Feb 86

[Text] Beijing, February 5 (XINHUA) -- China National Offshore Oil Corporation (CNOOC) and British Cluff Oil P.L.C. signed a contract here this afternoon on joint oil exploration and development in a block awarded to the British company in the southern part of the Yellow Sea.

This is the fifth contract signed in the second round of Sino-foreign joint offshore oil exploration and development, which started in November 1984, CNOOC said. The British company was awarded a block in the northern part of the Yellow Sea in the 1982-1983 first round of bidding. Now 55 percent of the participating interests for the contract block has been transferred to the Norwegian Statoil. Drilling operation there is expected to start this year. Cluff has its share in a contract block in the Beibu Gulf of the South China Sea.

UK DEFENSE SECRETARY STRESSES EUROPEAN UNITY

OW050759 Beijing XINHUA in English 0738 GMT 5 Feb 86

[Text] London, February 4 (XINHUA) -- British Defense Secretary George Younger today stressed the importance of European cooperation in the development and production of defense equipment but warned it must not be done in the spirit of anti-Americanism. Opening a conference of European NATO states' research laboratory directors in London, Younger said the intention of closer European defense research was to strengthen NATO "by strengthening the European contribution to it." It is not intended "to be anti-American or divisive within the NATO alliance," he said. The new defense secretary paid tribute to some positive results of European cooperation such as the Tornado fighter aircraft but he avoided to mention the latest project, an European battlefield helicopter, to which his predecessor Michael Heseltine had put so much significance during his campaign for a European consortium's rescue offer for the near-bankrupt British helicopter maker, Westland.

Heseltine, who resigned as defense secretary January 9 at the height of the Westland political crisis, today also talked about the importance of European defence cooperation to another audience, a group of London businessmen. According to the former defence secretary, there will be a wave of anti-American sentiments in Europe if the ailing Westland company accepts a rival rescue bid from the U.S. Sikorsky company, the world's biggest helicopter firm. The two-day London conference of national research directors, the first of its kind, is actually the brainchild of Heseltine. Its participants represent 11 European NATO countries and about 100 governmental and other research institutions.

STATUS OF U.S. BASES IN GREECE UNDER DISCUSSION

OW051930 Beijing XINHUA in English 1922 GMT 5 Feb 86

[Text] Athens, February 5 (XINHUA) -- U.S. Assistant Secretary of State Rozanne Ridgway is expected to discuss the future of U.S. military bases in Greece during two days of meetings with Greek officials. In addition to preparing for U.S. Secretary of State George Shultz' visit next month, she will meet with Greek Prime Minister Andreas Papandreu, Deputy Prime Minister Ioannis Kharalambopoulos, Minister of National Economy Konstandinos Simitis and other leaders.

Greece signed a military and economic agreement with the United States in 1983 to allow the four main American bases and other affiliated facilities to remain in Greece for another five years. Washington reportedly is eager to have the Greek Government clarify its position about the future of these bases after 1988. The United States wants to use the bases in exchange for their military and economic aid to Greece. But Papandreou insists his government will adhere to the "conditions and timetable" of the agreement. Observers here believe that because the United States and Greece have improved relations, an arrangement agreeable to both countries will be worked out on keeping the bases in Greece. The Greek newspaper ESTIA, said in a recent commentary that the government seemed to have given enough assurances to the United States that the future of the American bases in Greece "is not in real jeopardy." "The concessions on Greece's part will probably take the shape of amendments to the original agreement which will keep the Americans happy, while also giving the Greek Government the opportunity to declare once again that the struggle is now being vindicated," the paper said.

RIZOSPASTIS, the organ of the Communist Party of Greece, criticized the government of playing the game of "hide and seek." An editorial in its latest issue said that Ridgway "is coming to Athens primarily to secure a Greek OK to the bases." Ridgway arrived in Athens after holding talks with Turkish leaders in Ankara.

FRANCE DENOUNCES SEA TRANSPORT ACCORD WITH USSR

OW041403 Beijing XINHUA in English 1318 GMT 4 Feb 86

[Text] Paris, February 4 (XINHUA) -- France Monday denounced an agreement on maritime transport signed between the Soviet Union and France in 1967. The French Ministry of Industrial Redeployment and Foreign Trade said that the reason for the denunciation was an "enormous imbalance" in favor of the Soviet Union in trade exchanges between the two countries.

The abolition of the agreement will not be effective until August 1, six months after the denunciation was made according to an AFP report. During the six months, while a renegotiation on the agreement will be held, France "will also take into account of the espionage activities conducted by certain Soviet vessels in French ports near a military base," said the ministry. The decision was made after France expelled four Soviet diplomats over the weekend following the discovery of a retired French Navy officer spying for Moscow. It was the most important expulsion of Soviets from France since 1983 when 47 Soviet officials were driven out of the country.

In a statement issued Monday afternoon, the Soviet Embassy in Paris said that the expulsion was an unfriendly "manifestation" and "provocation," saying that France should bear the "responsibilities of the consequences of this action." Reportedly, the Soviet Union has also expelled four French diplomats in retaliation of the French expulsion of Soviet diplomats over the weekend.

CASTRO NOTES SINO-CUBAN RELATIONS AT PARTY CONGRESS

OW051910 Beijing XINHUA in English 1854 GMT 5 Feb 86

[Text] Havana, February 4 (XINHUA) -- Cuban Communist Party [CCP] General Secretary Fidel Castro today called on the United States to hold dialogues with Cuba on the basis of equality and mutual trust. In his keynote speech to the Third CCP Congress which opened here today, Castro said Cuba is willing to normalize relations with the United States. However, this is possible only if Washington is willing to conduct serious negotiations with Cuba "in the spirit of equality and full respect for each other", he added. The Cuban leader reiterated that the Soviet Communist Party is the "closest friend and best political ally" of Cuba and that the country will accelerate the integration of its economy with Comecon, the East European economic group.

He also said that to deal with the complicated world situation today, the views of China on major international issues can not be neglected. "Sino-Cuban relations have been developing healthily," but the two countries have "disagreement on some international affairs" which impede the "genuine improvement" of bilateral relations, he said.

Castro also called for the settlement of Central American disputes through peaceful negotiations and praised the efforts of the Contadora and Lima Groups in this respect. The Contadora Group of Venezuela, Panama, Mexico and Colombia and the Lima Group of Argentina, Brazil, Peru and Uruguay have been working on a peace treaty for the region. The Latin American problems should be solved by Latin Americans themselves through peaceful means and without the interference of the United States, he said. Castro admitted that in the past five years, more than 100,000 Cubans have "undergone internationalist missions" abroad, adding that his country will give unlimited support to Nicaragua.

On domestic issues, Castro said that the Cuban economy has grown by 7.3 percent in the past five years. But he said, progress in some areas has been retarded by laziness and other irresponsible conduct.

He said that during the next five years, Cuba will maintain a 5-percent annual economic growth rate and will give special attention to the tourism industry, agriculture and animal husbandry. The country should save and utilize its own resources, reduce imports and increase and diversify exports, he said.

He stressed that the country needs to enhance the efficiency of production and government offices and displace incompetent officials.

The Cuban party congress, attended by more than 1,700 Cuban and 186 foreign delegates, is scheduled to discuss the revision of the party's Constitution and the economic and social strategy for 1986-1990.

The congress is also expected to adopt two resolutions, one on new economic leadership and systems of economic planning and the other on separating political work from management.

The First and Second CCP Congresses were held in 1975 and 1980 respectively. The third congress was originally scheduled for last December.

LEADERS URGED TO RELY ON MASSES IN WAGE REFORM

HK050821 Beijing GONGREN RIBAO in Chinese 27 Jan 86 p 1

[Commentator's article: "Wage Reform in Enterprises Must Follow the Mass Line"]

[Text] Wage reform in enterprises is a component part of the entire economic structural reform, a matter to which the broad masses of workers and staff have paid attention and for which they have longed. Since this is a matter of primary importance concerning the situation of enterprise reform as a whole, and the direct and vital interests of all workers and staff members, we should conscientiously rely on the masses and fully follow the mass line in this regard. Only thus can we accomplish the task smoothly.

Our party has always maintained that we are at one with the masses and that what we are doing is for the masses. There is nothing we should conceal from the masses; we should fully discuss things with them. In particular, with regard to matters concerning the vital interests of the masses, under the guidance of party policy, we should give them a free hand to discuss these matters. We will derive great benefits in doing so, rather than endangering our work. Leaders of enterprises should uphold this viewpoint: Truly and wholeheartedly trust and rely on the masses. They should not trust themselves alone or make a mystery of wage reform. They should avoid making wage reform a matter involving only a small number of people and excluding participation of the masses. If they do so, they will most probably make a mess of the work.

To follow the mass line, we must give the masses all the facts about the situation and policy and our plan to deal with the situation. This is the so-called experience of "giving three facts," summed up by some enterprises currently experimenting with reform. The main purpose in reforming wages in enterprises is to gradually smooth out wage relations in the enterprises and further pursue the principle of distribution according to work, rather than implementing only a "wage increase" as some people have advocated. We should repeatedly explain this clearly to the masses. Only thus can we clear up certain unclear ideas and unify the thinking of workers and staff members so that wage reform is guided by the correct policy. The wages of workers and staff members can only be gradually increased with the development of our economy. Excessive or drastic demand will never work. Rise in consumption funds and wages of workers should not be higher than increases in national income and labor productivity. We should also explain these policies and principles to the masses so that they may truly understand and master them.

The key to success in wage reform lies in formulating a good plan for reform, according to the requirements of reform and practical conditions of the enterprises, and good for arousing the enthusiasm of the masses. Due to various historical reasons, many problems regarding enterprise wages have carried over from the past. There are many complicated, special conditions and problems difficult to fully predict. Therefore, we should follow the mass line and draw on the wisdom of the masses. Only by leaving their offices, immersing themselves among the masses, conducting careful investigation and study, listening to opinions from the masses in various quarters, and discussing matters repeatedly with them can leading cadres produce a better and more practical plan for reform.

Representative assemblies of workers and staff members are organs for the exercise of the masses' democratic rights. Trade unions represent the interests of the masses and are the working organs of workers and staff members' representative assemblies. To conduct wage reform in enterprises we should rely on representative assemblies of workers, staff members, and trade unions, lending full play to their role. Wage reform plans and policy decisions concerning the enterprises should be discussed conscientiously by representative assemblies. With regard to opinions raised by workers through their representative assemblies and trade unions, leaders of enterprises should address them seriously. Various work concerning wage reform must be placed under the supervision of representative assemblies. If we neglect the roles of representative assemblies and trade unions, it is difficult to claim reliance on the masses. Representative assemblies and trade unions should also recognize their responsibility in wage reform. They should closely cooperate with administrative departments of enterprises to properly integrate their supervisory and supporting roles, correctly representing and guiding the masses and ensuring the success of reform.

SCIENCE, TECHNOLOGY RESEARCH FUNDING VIEWED

OWO51145 Beijing XINHUA Domestic Service in Chinese 1152 GMT 4 Feb 86

[XINHUA commentator: "Smashing the Big Rice Pot While Exploiting New Financial Resources"]

[Excerpts] Beijing, 4 Feb (XINHUA) -- The State Council has formally promulgated the "provisional regulations concerning supervision of scientific and technological appropriations." Serving as supplementary decrees for reforms in science and technology these regulations will surely promote the sound development of these reforms.

An important feature of the reforms in science and technology system is the change in the old system of appropriations. In other words, the operating mechanism of science and technology should change. Rather than disregarding the characteristics of scientific and technological activities of different categories and managing science and technology purely by administrative means, we should employ economic means in managing funds for different categories separately. The methods used in scientific research, such as the funding system, "the big rice pot," and the transfer of research achievements without compensation were variously flawed. As a result, scientific research lacked vitality and could not automatically meet the needs of economic construction. To overcome these drawbacks, we must see to it that the management of appropriated funds promotes an intensive development of scientific research, orients science and technology toward economic construction, creates a competitive atmosphere, and establishes an economic responsibility system in science and technology.

However, some comrades still worry that once the appropriation system is changed, the state will reduce appropriations for science and technology, thereby affecting scientific research. This is a misunderstanding. On the whole, funds for scientific research will increase considerably rather than decrease. The provisional regulations have made it clear that during the Seventh 5-Year Plan period, state appropriations for science and technology will increase more quickly than regular financial revenues. Coupled with other financial resources, there will be an overall increase in funds earmarked for scientific research. Only the method of managing the funds will change.

The science and technology front is extensive, consisting of many levels. Conditions are vastly different. In view of this, the provisional regulations have specified detailed arrangements, the general principles of which are conducive to scientific and technological progress and production and are not just a set of simple uniform requirements. In a word, reforms in the appropriations system are designed to smash the big rice pot, make scientific research more dynamic and vigorous, exploit new financial resources, and provide a solid material foundation for scientific research. It will surely promote the development of scientific research.

CPC SETS RULES FOR ISSUING REPORTERS CREDENTIALS

OWO60055 Beijing XINHUA Domestic Service in Chinese 0824 GMT 5 Feb 86

[Text] Beijing, Feb (XINHUA) -- Recently the Propaganda Department of the CPC Central Committee issued a circular setting forth explicit rules for issuing reporters cards. The circular requests that all journalistic units conduct an examination of the reporters cards they have issued and straighten out any irregularities. All cards that have been issued but do not conform with the rules should be recalled or voided, and all new cards should be issued in accordance with the rules.

The circular points out: Indiscriminate issuance of reporters cards has become a rather common problem in various localities. Besides journalistic units, some publishing houses, offices of literary and art publications, and even party and government departments have printed and issued reporters cards. Some offices of newspapers and periodicals and some radio and television stations have issued reporters cards to their administrative and logistics personnel and workers. Some newspaper and periodical offices have issued reporters cards to persons belonging to other units as an amicable arrangement in order to establish underhanded relations with them. Some have issued large numbers of special reporters' cards and reporter-trainees cards. More serious is that a few newspapers and periodical offices have sold large numbers of reporters cards for profit. All of this has resulted in extremely grave consequences by damaging the reputation of journalistic units; pressuring the work of railway, civil aviation, and other transportation departments; and provided favorable conditions under which a small number of lawless people engender bluff and deceit.

To correct this problem, ensure reporters due rights and interests, and safeguard their good reputation, the following rules are established:

1. Units issuing reporters cards are limited to press agencies, newspaper offices, radio and television stations, and a few offices of publications on current events and political subjects. Ordinary publications offices, publishing houses, offices of papers and periodicals not distributed openly to society, colleges and schools of journalism (including those teaching through periodicals and correspondence), and journalistic research organizations are not allowed to issue reporters cards or reporter-trainees cards.
2. Journalistic units should issue reporters cards only to those officially employed as professional editors and reporters and to those personnel responsible for organizing information gathering and news writing. Journalistic units not employing professional journalists may issue reporters cards to those personnel actually gathering information and writing news reports. However, administrative and logistics personnel in journalistic units should be given work cards only, and no reporters cards should be issued to them. From now on, when a person no longer gathers information or writes news reports because of transfer to another job or for other reasons, his card should be promptly recalled.

TEXT 3. Out of the needs of work, a journalistic unit may issue a certain number of special reporters cards, but such cards should not exceed 10 percent of the number of its regular reporters. Special reporters should not enjoy the same treatment as regular reporters. No reporters cards should be issued to correspondents.

4. Reporters cards prove the holders identity and profession only. To cover a special event, a reporter should have a letter of introduction from his unit. Because of the urgent need to cover an event, a reporter may have priority over others in buying railway, long-distance bus, ship, or airline tickets by presenting his card according to the pertinent regulations.

The circular urges all journalistic units to conduct an examination of reporters cards they have issued in order to correct any irregularities. Cases of selling reporters cards for profit should be dealt with seriously. After the examination has been conducted and irregularities have been corrected, if any new cases of indiscriminate issuance of reporters cards are discovered, the leaders concerned will be held responsible.

TRAVEL REGULATIONS FOR HONG KONG, MACAO EXPOUNDED

HK030911 Beijing ZHONGGUO XINWEN SHE in Chinese 0256 GMT 31 Jan 86

[Text] Beijing, 31 January (ZHONGGUO XINWEN SHE) -- In Beijing, an official of the Bureau of Exit and Entrance Control under the Ministry of Public Security disclosed that the concerned State Council department is formulating regulations governing citizens traveling between the mainland and Hong Kong and Macao.

In answering a reporter's question on "why control is still very strict on citizens traveling to Hong Kong and Macao on personal business, while it is comparatively relaxed for these going abroad on personal business," the official said: Hong Kong and Macao are special regions. They are small in area but very dense in population. Their capacities are limited. However, the number of citizens in the hinterland wanting to emigrate to Hong Kong and Macao is extremely great. If their requests were all satisfied, the population of Hong Kong and Macao would grow drastically. In order to maintain favorable conditions for the economic prosperity and social stability in Hong Kong and Macao, the State Council has decided to follow a quota when examining and approving applications to settle down in Hong Kong and Macao on a one-way trip. The State Council has also decided that, in principle, the number of people approved will not be increased. Because the number of applicants is great and the quota is limited, the majority will not be approved, not even those who have parents, spouses, or children in Hong Kong and Macao. Only those who are most in need and are most pressed will be given approval.

A reporter asked: Those applying for a round trip on a short-term basis will not increase the populations of Hong Kong and Macao. Shouldn't the policy be relaxed somewhat regarding them?

The official said: Certainly. However, quite a number of people who applied for round trips to Hong Kong and Macao have, in the past, failed to return. Therefore, the method of fixing a quota is also adopted with regard to them. If those who apply for a round trip to Hong Kong and Macao conscientiously return on time, we will gradually increase the quota and relax the control. In fact, the quota for round trip travelers has doubled in recent years, but there are so many applicants, conditions are still rather strained. From now on, we will further relax control and gradually increase the quota.

JINGJI RIBAO EMPHASIZES STUDY OF MARXIST THEORY

HK031311 Beijing JINGJI RIBAO in Chinese 25 Jan 86 p 1

[Editorial: "Do a Good Job in Studying Marxist Theory Guiding our Party in Building Socialism"]

[Text] In a speech delivered at the National Conference of Party Delegates, Comrade Deng Xiaoping proposed a new requirement -- the study of Marxist theory -- to cadres at all levels throughout the party and leading cadres in particular. While proposing the new requirement, Comrade Deng Xiaoping stressed three points. The first point is that in implementing the four modernizations program, we should adhere to Marxism, which provides a foundation for our party's policies. The second point is that we should integrate theory with practice and use the basic principles and methodology of Marxism to devise solutions to new political, economic, social, and cultural problems. The final point is that through devising solutions to new problems, Marxist theory itself will be further developed. Conducting the study of Marxist theory well in accordance with the requirements and orientation charted by Comrade Deng Xiaoping is of great, far-reaching significance in accelerating the process of our reform and four modernizations program.

Theory stems from practice, is tested by practice, and develops in practice. One hundred and thirty-eight years have passed since the "Communist Manifesto" was published in 1848. During this historical period, the proletariat has constantly won new victories in its liberation cause although the road toward liberation is tortuous. Marxist theory is continuously developed in new practice. New principles and conclusions suited to new historical conditions are ceaselessly replacing some specific theories and conclusions which are no longer applicable.

The universal principles of Marxism are not out of fashion. Today we are still determined to uphold and defend them. We should not waver in this conviction. For example, socialism will inevitably replace capitalism, and socialist society will ultimately enter communist society. This is an inevitable trend of historical development. The universal principles clearly defined by Marx in this regard are universally applicable truths. However, it is impossible for Marx and Engels to have devised detailed solutions to all kinds of specific problems arising in the course of socialist revolution and construction, under prevailing circumstances, to build a modern and strong socialist country with a high level of both material and spiritual civilization. In a large economically backward country like ours, it is one of the most difficult and greatest creative projects ever undertaken in the history not only of the Orient but also of the whole of mankind. Some of the major problems emerging in the course of fulfilling this task are problems which Marx, Engels, Lenin, and Stalin did not encounter and thus never solved. Our ongoing comprehensive economic structural reform and four modernizations program are a new, great practice in the history of socialist revolution and construction. What is the relationship between the reform and the four modernizations program? Why should reform be conducted? What is the orientation and what are the objectives of the reform? How should we correctly view and handle problems arising in the course of the reform? All these questions should be definitely answered and thoroughly explained in theory so as to unify thought and action in the whole party and among people throughout the country, thus pushing reform ahead victoriously. This requires that we integrate the universal principles of Marxism with our country's actual political, economic, scientific, and cultural developments; study new situations; solve new problems; and achieve new experiences.

Since the 3d Plenary Session of the 11th CPC Central Committee succeeded in shifting the work focus of the whole party, our party has brought order out of chaos, reaffirmed the ideological line of seeking truth from facts, adhered to Marxist dialectical materialism and historical materialism, and solved many new problems arising in the course of implementing the four modernizations program by creatively applying universal Marxist principles. We have made achievements in all areas of reform and the four modernizations program. The principles and policies and numerous important documents formulated by our party for the reform and many important articles and speeches by central leading comrades are all products of combining universal principles of Marxism with reality in China. These important documents are our party's scientific review of the experience in socialist revolution and construction since the founding of the People's Republic and signify the adoption and development of Marxist classical works. They are the Marxist theories guiding in building socialism with Chinese characteristics and providing additional wealth in the treasure-house of Marxist theory.

Therefore, in studying Marxist theory, we should combine the study of classical works with that of our party's present-day documents, particularly the party's important documents and central leading comrades' important articles and speeches since the 3d Plenary Session of the 11th CPC Central Committee and learn the Marxist stand, viewpoint, and method, and the basic knowledge about Marxism, from these works and documents, in an earnest and systematic way. Only in this way: Can we scientifically explain or elucidate the numerous new things and problems emerging in the course of reform and the four modernizations program; can we dialectically ponder the complicated social and economic phenomena, examine the essential aspects of problems with an eye on the course of their development, and avoid making mistakes and becoming rigid; can we remold our subjective world while changing the objective world and make our ways of thinkings, mental outlook, ability to work, and moral level more adaptable to the new situation in the new period; and can we achieve both liveliness and unity in thinking and adhere to both the implementation of the policies of invigorating the economy, opening up to the outside world, and observing socialist orientation.

At present some comrades isolate the practice and theory of building socialism with Chinese characteristics from the historical development of Marxism and thus fail to see that the two derive from the same origin. The manifestations of this practice are that in theoretical study, they confine the study of Marxist theory to reading some classical works and neglect the study of the party's present-day important document, in particular the numerous important documents since the 3d Plenary Session of the 11th CPC Central Committee. More often than not, theoretical study is separated from the realities in reform and the four modernizations program, and people do not know how to apply the theories they have learned, still less how to develop them. They fail to explain practical problems in current political and economic life although they would memorize quite a few phrases and sentences from classical works. On the other hand, on seeing some conclusions in Marxist classical works as being no longer applicable to present actual conditions, some comrades doubted the correctness and guiding role of Marxism, arguing that Marxism was already out of fashion and thus abandoned their study of Marxist classical works. All these show a separation of theory from practice and a lack of thorough understanding of the theory guiding our party in building socialism with Chinese characteristics.

To overcome this trend of separating theory from practice, we must study the history of Marxist development and further understand that the theory guiding our party in building socialism with Chinese characteristics means we have inherited and developed Marxist theory itself. Moreover, we must enhance our willingness to study present-day party documents. In theoretical study, we must uphold the Marxist basic principles and oppose the bourgeois liberalization trend that doubts the applicability of Marxism on the one hand and be bold in breaking through some specific outdated principles or conclusions in Marxist theory and opposing dogmatic deviations on the other.

While carrying out the economic structural reform and the four modernizations program, we must persist in applying the Marxist stand, viewpoint, and method in understanding and solving all practical problems so that we can forge ahead along the correct road with our cause and simultaneously advance Marxist theory. This is the attitude which we should take.

MODERNIZATION PROGRAM FOR RURAL AREAS EXPLAINED

HK050855 Beijing JINGJI RIBAO in Chinese 27 Jan 86 p 1

[Editorial: "An Invigorated Local Economy Dawns -- On the Need for the Entire Society To Be Concerned About Implementation of the 'Spark Program'"]

[Text] The "spark program," introduced by the State Science and Technology Commission and approved by the State Council, is enthusiastically welcomed throughout the country and, in particular, by the country's 800 million peasants. They describe this as "charcoal delivered in the middle of a snowstorm" to the rural areas and towns and township enterprises and as significant progress in the application of science and technology in economic construction. The central leading comrades have also made very favorable remarks on this matter.

In recent years, thanks to rapid rural reforms, our agricultural production has been growing at a high rate. Indeed, one cannot afford to overlook the role of town and township enterprises as a significant force in the national economy. While absorbing much of the surplus labor in rural areas, they are also profoundly restructuring the country's rural economy. Apart from this, town and township enterprises also provide great support to the modernization of rural areas and to the development of scattered tiny market towns.

However, we must be soberly aware that productivity remains low in rural areas and that most town and township enterprises are backward both technologically and in production management. In order to end this backwardness, ensure a steady growth rate for agriculture and healthy development of town and township enterprises, and to end poverty in old liberated areas, newly developed areas, border areas, and poverty-stricken areas, it is necessary to devote further attention to applying science and technology, in addition to further comprehensive implementation of the party's rural policies. Only by relying on science and technology can we help the 800 million peasants, who just have enough to wear and eat, become affluent peasants. Practice has proven that, armed with modern science and technology, the peasants can raise productivity hundreds of times as soon as they abandon the production mode characteristic of a natural economy and switch to the establishment of factories and intensive production. Wherever science, technology, and scientific management are satisfactorily applied, successful production and construction can be expected.

One of the specific objectives of the "spark program" in the Seventh 5-Year Plan period is the training, for town and township enterprises, of 200,000 young intellectuals and grassroots cadres each year, or 1 million young intellectuals and grassroots cadres in 5 years. This will contribute to the organization of a "permanent" scientific and technological force in rural areas and this force, in addition to bringing scientific and technological advances to rural areas, will benefit peasants by leading them in their march toward the modernization of rural areas and the revitalization of the economy. Without adequate scientific and technological personnel, it would be difficult to satisfactorily revitalize the rural areas. Training scientific and technological personnel for rural areas is an important issue. In the future, we will rely mainly on them for the revitalization of the rural areas.

Special schools and institutions of higher learning should perform their own functions satisfactorily. They should offer various training courses, using their long vacations and favorable conditions. Scientific research units should, by combining training with the popularization of scientific and technological achievements, train "midfield players" to transfer scientific and technological achievements to rural areas. Another of these specific objectives is to initiate the mass production of 100 types of facilities and equipment suitable for rural areas. These include complete sets of facilities and equipment for factory-farm animal breeding, for the preservation of fruits and vegetables, for the deep processing of industrial crops, for the production of building materials, and so on. The purpose of all this is to raise productivity and to improve economic results and social benefits. A third objective is to help various localities establish 500 model town and township enterprises, which will play an exemplary role in applying science and technology. These enterprises will be provided with complete sets of scientific and technological facilities and equipment, management norms, product designs, and quality control systems.

The "spark program" requires the extensive application of science and technology. All those workers in the field of science and technology who aspire to contribute to the great cause of revitalizing the local economies now have a golden opportunity to realize their aspirations. At present, there are thousands of scientific and technological forces in China. They have produced many scientific and technological achievements. Given all this and China's quite well-developed industrial system, China is well qualified to help its rural areas develop and produce complete sets of facilities and equipment and establish model enterprises. In the rural areas, workers in the field of science and technology will find that there is ample scope for their abilities. This is made possible by the independence and great flexibility of rural areas and town and township enterprises and by the short cycle in their application of new technology and development of new products. Science and technology commissions, science and technology associations, institutions of higher learning, scientific research units, mines, and industrial enterprises throughout the country and all functional departments concerned should make the best use of favorable conditions and contribute to the implementation of the "spark program," local and rural economies, and improving the nation's scientific and technological knowledge. As long as we are united and bravely march ahead, we certainly will be able to achieve all the objectives of the "spark program!"

DU RUNSHENG BOOK ON RURAL CHANGES REVIEWED

HK270621 Beijing RENMIN RIBAO in Chinese 20 Jan 86 p 5

[Article by Gao Hongfan: "A Theoretical Summation of Profound Rural Changes -- Reading 'China's Rural Economic Reforms'"]

[Text] The book "China's Rural Economic Reforms," by Comrade Du Runsheng, is published by Zhongguo Shehui Kexue [China Social Sciences] Publishing House. The book focuses on the discussion of reform of the economic structure and product mix in rural areas, and technical reform in the rural areas. These are all new issues of the new historical period. Some of the specific, historical, and dialectical analyses of the author on these issues are incisive and thorough.

First, the implementation of contracted responsibility system on a household basis inevitably involves an appraisal of the cooperative movement. Otherwise, it will be impossible to talk about the reform of the old system and the establishment of the new structure. How should the cooperative movement be evaluated?

In the book, the author affirms the necessity of the socialist reform of agriculture, and reviews accomplishments since the cooperative movement: an initial solution to the food problems of one billion people has been provided, the needs of industrial development have been ensured, polarization and the annexation of land has been avoided. These accomplishments have demonstrated that the strategic decision of implementing the cooperative movement was correct.

However, the author points out at the same time that a basic weakness of China's cooperative movement over a long period is the neglect or disregard of the restrictive function of productive forces. "Leftist" tendencies have appeared on several occasions, forcing alteration of production relations, which resulted in sabotaging productive forces. This is precisely a marked expression of that weakness. The author analyzes the social and ideological root causes of this phenomenon, revealing the injury of "leftism," to which it has given expression.

This profound analysis in the book originates from a basic concept of Marxism. In an economically backward country, the change of small private ownership into public ownership, in the final analysis, relies on the formation of new socialized material conditions, and the formation of such conditions involves a considerably long process of development. In relation to this, the cooperative movement should not be perceived as a single change and should be connected by a series of intermediate links in gradual transition. The selection of these intermediate links should be favorable to the development of the original productive forces as well as the creation of new productive forces. This means that the promotion of productive forces should be regarded as a signal on whether the form of the cooperative system has vitality.

The author holds that the key to this point is: If original family economies are merged in an oversimplified way while an overconcentrated labor system and an egalitarian distribution system are implemented, it will be very difficult to maintain intensified cultivation of small-scale peasant economy. A stagnation, or even drop, in productive forces will occur. The shortcoming of cooperative organizations lies precisely here. Therefore, it is imperative to conduct structural reform.

Second, the contracted responsibility system on a household basis adopts the managerial way on household basis, giving rise to talk about the "individual economic enthusiasm" of the peasants. The peasants' enthusiasm for production since land reform has fallen into two categories, the enthusiasm for individual economy and the enthusiasm for mutual cooperation, with which we are all familiar. In order to encourage a trend of mutual cooperation, a negative attitude has been adopted toward spontaneous capitalist tendencies of enthusiasm for individual economy, which is understandable. However, whether "enthusiasm for individual economy" is entirely equal to spontaneous capitalist tendencies is a topic requiring in-depth study. The mode of individual labor and the mode of distribution in relation to it were entirely neglected in the past, thus giving rise to frenzied activities without proper long-term plans and "eating from the same big pot."

Two universally acknowledged facts have caught the attention of the author. Family plots were all high-yield plots, and peasants had on several occasions demanded farm output quotas for each household. The author believes that "these two signals gave expression to the nostalgia for management on a household basis of the peasants, which has enlightened us and made us reconsider how use the mode of management on a household basis in the cooperative system."

Here, the author differentiates "individual economy" from "management on a household basis." Individual economy as an economic form is based on small-scale private ownership. Such small-scale peasant economy falls out of place in the trends of agricultural modernization and must undergo socialist transformation.

Management on a household basis is a mode of management. It can include different types of ownership, from the feudal system, to small-scale private ownership, to capitalist ownership. Such differentiation is necessary in our correct use of the form of management on a household basis.

The author points out that, in using such a mode, joint efforts of the family, technical experience accumulated in the hands of the individual, and production means scattered in all households will be brought into full play. Under present conditions, if they are put aside without being used, it will be a waste. Hence, the trend of including management on a household basis in the cooperative economic structure, linking collective management with management on a household basis and forming a double managerial structures system recently has resulted in profound changes in rural areas. Regarding individual economy, this will reform its content of private ownership while using its mode of management. In essence, it affirms once again the peasants' enthusiasm for production of 800 million peasants will be guided on the track of developing the socialist commodity economy in a big way.

The author believes that the new system has "absorbed the advantages of advanced agricultural producers' cooperatives, corrected its shortcomings, and broken through the limitations of the family economy while retaining its merits." It has formed into a developmental phase of agricultural cooperation with Chinese characteristics. Of course, the author does not avoid the fact the management on a household basis has a certain spontaneity and blindness and holds remnants of the peasants' private economy. However, the public ownership of land, the existence of unified management, and the powerful restrictive function of socialist industry, commerce, and banking will make this mode serve the needs of socialist agriculture. He stresses that just because peasants have selected this mode does not mean they are wavering with regard to socialism, but reflects a need for more criticism of shortcomings and errors in our work.

Third, the rural economy should be developed through diversified forms. This is a very important principle which the author has stressed. China's development in economy and culture are extremely imbalanced, and the natural conditions and economic conditions are far from being unified. In developing the rural economy, it is imperative to allow diversified forms under the principle of socialism so that comparison may be made between them, advantages can be retained, shortcomings eliminated, and they can be merged, replaced, and perfected. "Only with diversified forms will it be possible to attain a high level of adaptability."

The concept of diversified forms gives expression to the structure of ownership. Under the prerequisite of persisting in the cooperative movement, diversified economic forms are allowed as a supplement to the socialist economy, in order that the labor force, funds and technology may be diversely organized. Even in the case of operating by employing workers, it is not the same as in the past with capitalism, because some measures of cooperative economy are adopted, and it is controlled by socialism. This means that some low-level forms which are transitional and suitable to the level of the masses, are not to be rejected, even if they are unstable, vague in nature and neither complete nor perfect. Giving expression to the question of ownership, the concept of diversified forms refers to public ownership in the course of the appearance of a series of intermediate links, during which many flexible forms will inevitably appear. For example, the associative coefficient between unification and separation of the contracted responsibility system will be more flexible; the public ownership of production means will have different levels; the issue of whether combination will involve ownership will be allowed greater maneuverability; enterprises with collected funds may implement the principle of mainly distribution according to work, when bonus distribution is based on each share.

TEXT The author proposes that we should not be afraid of remnants of old social relations remaining in new production relations, when public ownership and the principle of distribution according to work "will take shape in its typical and most perfect form when social production is highly developed."

The concept of diversified forms also gives expression to the variation of the cooperative economic system. In marketing and supplying cooperatives, credit cooperatives, service organs, enterprises in towns and townships, and state farms, all systems may implement varied combinations, and unanimity is not required. In this way, a network of cooperatives of various forms and diversified structures will take shape.

The important significance of the concept of diversified forms lies in the fact that it proposes that our ideas be suited to the extremely complicated structure of the external world, so that the subjective may become one with the objective, and Marxism may be linked closely with the realities of China's rural areas. In short, we must start from practice thoroughly. Since the founding of the People's Republic, one of the greatest malpractices in China's rural areas has been the habit of implementing a single pattern and requiring unanimity in everything. The author's concept of diversified forms is the correct policy for correcting the malpractice of requiring unanimity in everything, and a good measure for rapidly developing the rural economy.

COMMODITY PRICES SOCIETY DISCUSSES PRICE THEORY

HK291009 Beijing JINGJI RIBAO in Chinese 18 Jan 86 p 2

[Report by Shi Xiaokang: "Roundup on Annual Meeting of China's Commodity Prices Society and on the Fourth Meeting To Discuss Price Theories"]

[Text] The annual meeting of the Chinese commodity prices society and its fourth meeting to discuss price theories were held in mid-December 1985 in Guangdong's Zhongshan City. The participants discussed theoretical problems needing immediate solution in price reform.

I. The Targeted Pattern of the Price System

Most comrades held that in the future, China should adopt a price system of a mixed pattern, in which unified state prices, prices floating within a certain range, and negotiated prices coexist. However, there were still some differences on the question of which should be the main element of this system. Many comrades held that the system of prices floating within a certain range should be taken as the main element of the price system, that is, a price control system characterized as "small at both ends and big in the middle." Their reason is that since the central price and the range within which floating prices occur are set by the state, and enterprises can decide on the prices of their products within the range set by the state, both state macromanagement and control of prices and the flexibility of the enterprises in microeconomic control can be ensured.

Some comrades held a different view, maintaining that if the role of the floating price system is overestimated, it can only result in spiraling increases in costs, prices, and money put into circulation. The characteristics of the socialized commodity economy are: the variety of commodities is increasing day by day, labor productivity is changing quickly, the life cycle of products is becoming shorter and shorter, and the socioeconomic situation regarding supply and demand often changes greatly. For many commodity prices, if the float range is narrow, they will become, in reality, fixed prices; if the range is wide, they will actually become free prices.

Along with the enlivening enterprises and opening up to the outside world, phenomena such as bargaining and the deliberate raising and lowering of prices between the enterprises and the departments in charge will become more and more serious. Thus, it is good to take the system of prices floating within a certain range as a transitional form in the reform of the old price system, which is highly centralized. But it is still not appropriate to take it as the main element of China's price system. Some comrades suggested taking the free price system as the main element. The main reasons are: 1) Free prices belong to the category of price control, but since there are fundamental differences between the state's macroeconomic policy and ownership, there are also fundamental differences between socialist free prices and capitalist free prices in both intension and extension and in the roles they play. 2) Free prices are a part, not a whole. They do not exclude the method of state interference in the prices of certain important means of production and subsistence concerning the national economy and the people's livelihood. Under special circumstances, the state can still guide, interfere in, or even freeze the prices of those commodities which have adopted the free price system. 3) With the perfection of China's socialist market system, the strengthening of the state's capability for macroregulation and control, and the standardization of the enterprises, taking the free price system as the main element may not necessarily lead to greater defects and sharp rise and fall of prices. The fundamental reason for sharp rise and fall of prices lies in the imbalance of supply and demand rather than the form of prices. To exercise indirect control over prices mainly means controlling the changes in supply and demand so that prices can be kept stable. For most products, it is still necessary to rely mainly on direct control and to set fixed prices or a range in which prices can float.

II. What Symbolizes a Rational Price System

Many comrades pointed out that it is a pressing task at present to make clear what symbolizes a rational price system. Some comrades held that what basically symbolizes a rational price system is that under normal conditions all departments and trades are able to obtain an equal profit rate. In other words, the prices of various commodities are maintained at the average level of all departments and the level of profits is determined by the average profit rate.

Other comrades held that the basic symbol of a rational price system is that under the condition that general commodity prices are relatively stable, the prices of all kinds of commodities are basically at a level of balanced supply and demand, in other words, at a level at which the commodities can be sold easily and purchasing power can be fully realized. They held that different departments and trades have different abilities to obtain profits. This is an objective condition for the development of the structure of the national economy. The state can exercise control by means of taxation and credit. As far as prices are concerned, it is not necessary to require that profit rates of all departments and trades are generally the same.

III. On Calculation of Theoretical Prices

There were two different views among the participants on the necessity of calculating theoretical prices. The main reasons of those who held it necessary to calculate theoretical prices were: The calculation of theoretical prices can provide a basis for the state in setting and readjusting prices, in setting a central price and the float range for prices, and in levying taxes in a reasonable way. Following are three suggestions on the form of theoretical prices: 1) Calculate theoretical prices according to the average profit rate of funds; 2) calculate them according to the profit rate of funds and the profit rate of wages, or through "double channels"; and 3) calculate them through "three channels," that is, according to the profit rates of funds and wages and other factors, including grade differences and land rent.

The main reasons why those comrades held that the calculation of theoretical prices is not significant are: 1) On the question of what part of production costs should be included in the total cost of the product, there are many difficult technical and theoretical problems to solve, which will naturally lead to inaccuracy in calculating the average profit-earning costs of various departments; 2) it is not a scientific method of calculating theoretical prices, which are of significance in the future, on the basis of past data for calculating profit-earning costs; 3) since the calculation of theoretical prices does not entirely reflect the role played by social supply and demand in the formation of value levels and neglects the real costs of enterprises, what it reflects is not the value mentioned by Marx, which involves the meaning of social reproduction; 4) the state should levy taxes based on the enterprises' actual costs and profits rather than on theoretical prices.

IV. Price Reform During the Seventh 5-Year Plan Period

Some participants held that at present, China's extrabudgetary investment constitutes more than 50 percent of the total investment in social fixed assets, but as a result of the irrational price system, especially the lower prices of energy resources; communications, and raw materials, the industrial and investment structures are also seriously irrational. The shortage of energy resources, communications facilities, and raw materials is obstructing the national economy from high-speed development. When price reform takes big strides, the national economy cannot bear it; but when the reform takes small steps, problems cannot be solved. Therefore, during the period of the Seventh 5-Year Plan, it is necessary to carry out the reform with medium strides, centering on the prices of the means of production, so as to strive for a rational price system, especially a rational price system for the means of production, by the end of the Seventh 5-Year Plan period.

Other participants held that it is right to take the reform of the production prices as the center and to combine readjustment with relaxation in the price reforms, but that this should be supplemented with reform of the prices of agricultural products and main consumer goods. Otherwise the price system as a whole will become even more irrational. In the Seventh 5-Year Plan period, the price reform should be carried out under the condition that general commodity prices are kept basically stable. Put more concretely, this means that the rise in the general price index should not exceed the annual interest rate of fixed deposits. For this reason, the price reform, including the reform of prices of the means of production, should be carried out with small steps rather than medium strides. At the same time, it is also necessary to pay great attention to the synchronous development of the price reform and the reforms in other fields. At present, before the problem of restraining the soft budgets of state enterprises is solved and a relatively perfect and advanced market system is formed, we can only achieve very limited results either in readjusting or relaxing prices. Therefore, in the price reform during the Seventh 5-Year Plan period, emphasis should be laid on improving the external conditions rather than on pricing itself; in other words, on solving the problems concerning restraining the soft budgets of enterprises and perfecting the market system so as to create necessary conditions for effectively readjusting and relaxing prices.

DEVELOPMENT OF CREDIT LEASING SUPPORTED

HK030039 Beijing RENMIN RIBAO in Chinese 24 Jan 86 p 3

[Article by Min Yimin and Wag Yihua: "A Brief Discussion on the Development of China's Credit Leasing Business"]

[Excerpts] The credit leasing business, aimed mainly at utilizing foreign capital and importing advanced technology, has taken shape in our country since the early 1980's.

With the progress of economic structural reform and the four modernizations program, it has achieved noticeable development. Leasing institutions have been established one after another, their market has been rapidly expanded, and their volume of business has doubled and redoubled. However, since many people are still not quite familiar with this business, it is necessary to publicize its role and prospects and adopt forceful measures to promote its further development.

Background and Reasons for the Rise of the Present Credit Leasing Business in Foreign Countries

First, we should point out that the actual significance of the currently expanding credit leasing business is completely different from that of the traditional business of leasing. Credit leasing business mainly refers to the business of providing leased equipment and facilities for enterprises for a considerable period of time. While rendering its service, a leasing company will also supply "materials" rather than providing "funds" alone. This will enable the enterprises concerned to obtain the right to use equipment and facilities, and the funds needed in business. Such a leasing business, which actually covers funds and facilities, is called "credit leasing business." Providing such facilities and funds through leasing is flexible and convenient, and can satisfy various actual demands of enterprises. Since it can provide special credit service beyond the reach of middle-term and long-term loans, in many countries it has become the most rapidly developing credit leasing business. In the meantime, many manufacturers of equipment and facilities have accordingly used credit leasing as an effective means of expanding their market. At present, credit leasing has rapidly developed not only in various countries, but also in the international market. It has been widely used to import foreign capital and technology, and promote investment and exports.

The currently developing credit leasing business results from the fast developing financial business. The rapid progress of science and technology as well as government encouragement and support are a direct motive force for its vigorous development.

Establishment, Development and Prospects of Credit Leasing in China

Credit leasing in our country is a product of "opening up to the outside world and enlivening the domestic economy." The reform of the economic management system has directly promoted its rapid development.

The 3d Plenary Session of the 11th CPC Central Committee abolished the policy of isolation, which had been pursued in China for a long time. To expand international economic cooperation and technical exchanges, in July 1979 our country promulgated the law on joint Chinese-foreign ventures. In October of the same year, the China International Trust and Investment Corporation (hereinafter investment corporation for short), as one of the main windows for foreign capital, was established in Beijing. Not long after that, Rong Viren, chairman of the board of directors and general manager of the corporation, proposed the idea of carrying out an international credit leasing business in order to open up a new channel for using foreign capital, after concluding his visit to some foreign countries. In early 1980, the investment corporation introduced such business activities. CAAC [Civil Aviation Administration of China] chartered the first plane from the United States. In October 1980, the investment corporation invited a Japanese leasing company and the American Chemical Bank to jointly hold the first seminar on leasing.

In June 1980, a preparatory office jointly established by the investment corporation, Japan's (Oriental) Leasing Company and Beijing's Machinery and Electric Equipment Company for China's Dongfang Leasing Company was officially set up in Beijing. In July 1981, the investment corporation and the State Bureau of Materials and Equipment jointly set up China's leasing company.

The establishment of these two leasing companies has marked the rise of the contemporary leasing business in our country. Before this, the leasing business never existed in China as an independent undertaking. Since then, and in 1984 and 1985 in particular, leasing has become increasingly active and has rapidly been popularized throughout the country. To date, there are 25 national and regional companies specifically or concurrently dealing in leasing. A network of leasing business has now been established, and a new leasing market has been developed. The volume of business has rapidly increased. Let us take the leasing department of the Investment Corporation as an example. From 1984 to 1985, its accumulated volume of business reached more than \$800 million as a result of importing leased items. The volume of business in 1985 alone was more than \$400 million. In the meantime, the scope of business has been increasingly expanded. The items covered by the business include not only various kinds of industrial and agricultural equipment and facilities, means of transport, medical apparatus, and so on, but also intangible assets such as technology and other things. In addition, the forms of leasing are varied, and more flexible methods of payment have been adopted. Apart from the leasing business in general, we are developing systematic leasing linked with compensation trade (cooperating with foreign trade departments to export equipment and facilities for leasing to foreign countries). In the meantime, we are also developing a leasing business aimed at earning foreign exchange for the state.

Credit Leasing Is Bound To Occur and Vigorously Develop in Our Country

Everyone knows that making use of foreign capital through various channels is an important method for speeding socialist economic construction. Since the "leasing of technology," a new item in the business of leasing equipment and facilities can play the dual role of making use of foreign capital and technology and equipment. It will inevitably be regarded as a new method for credit leasing when we have just started to open our economy to the outside world.

To create more wealth with less investment, we should rely on existing enterprises, and speed their technical reform. Due to certain defects in our old economic system, for a long time we neglected the updating of fixed assets. The equipment and facilities of our enterprises are generally obsolete. We are facing a tremendous task for reform, and need large amounts of funds for this, apart from facing various restrictions on loans provided by banks. Therefore, investment based on leasing has wide prospects in China. The reform of our country's economic structural system will forcefully promote the development of the credit leasing business.

We maintain that during the Seventh 5-Year Plan, with the profound development of economic structural reform and the progress of the four modernizations program, credit leasing will be considerably developed in our country. The main reasons are: Credit leasing can be used as an effective means of solving the problem of the lack of funds at home. Promoting credit leasing in cooperation with reform will be beneficial to readjusting the investment pattern (those items covered by credit leasing are included in the state and local plans), promoting technical progress (80 percent of the items covered by credit leasing are technical items), and rationalizing the investment pattern (increasing the percentage of funds for updating and reforming technology in the investment of fixed assets). This will ensure that funds will be truly used to update and reform technical equipment and facilities, rather than being used for other purposes (the credit leasing business is reflected in the business of leasing equipment and facilities). In the meantime, conducting credit leasing will also invigorate our enterprises, improve product quality, enhance the export competitiveness of our product quality, and expedite our work of opening up the international market for our products.

Giving More Support and Strengthening Management of Credit Leasing

To enable credit leasing in our country to serve the four modernizations program more effectively, apart from readjusting it and guiding the proper use of funds through various economic means, the state should improve legislation, establish policy, and provide the necessary support, and strengthen the management of the business. Leasing is a new undertaking. We believe that with the immense progress of the economic structural reform in our country, and the gradual improvement of our country's legal system and various policies, a socialist credit leasing business with Chinese characteristics will further prosper and develop.

STATE COUNCIL ISSUES REGULATIONS ON PLACE NAMES

OW301315 Beijing XINHUA Domestic Service in Chinese 0306 GMT 30 Jan 86

[Text] Beijing, 30 Jan (XINHUA) -- Regulations on Control of Place Names (promulgated by the State Council on 23 January 1986)

Article 1: These regulations are enacted for the purpose of strengthening control over place names to meet the needs of socialist modernization and international contacts.

Article 2: Place names referred to in these regulations include names of geographic elements, administrative divisions, and residential areas as well as names of terraces, stations, ports, and yards of toponymic significance used by departments of various specialized fields.

Article 3: Control of place names shall be exercised on the basis of past and current names of places in our country and in such a way that they are kept relatively stable. If necessary to name or rename a place, the new name shall be reported to the authorities concerned for approval according to the principles and the approving authority stipulated in these regulations. Without such approval, no units or individuals shall determine the name to be used for a place.

Article 4: The following rules shall be complied with in naming places:

1. Places shall be named in such a way as to be conducive to the unity of the people and to socialist modernization. The wishes of the local masses shall be respected, and agreement must be reached with all parties concerned through consultations.
2. In general, no personal names should be used for place names. Naming a place after a state leader is prohibited.
3. No two or more places at and above the county or city level in the country, no two or more townships or towns within a county or a city, no two or more streets within a city or town, and no two or more villages within a township shall have the same name. Homonymous names shall be avoided in the above cases.
4. In general, the names of terraces, stations, ports, and yards of toponymic significance used by departments of various specialized fields shall conform to the names of their locations.
5. Rare or uncommon characters shall be avoided in naming places.

Article 5: The following rules shall be complied with when renaming places:

1. Place names detrimental to the territorial sovereignty and national dignity of our country, discriminatory against certain nationalities, obstructive to the unity of nationalities, offensive to the laboring people, extremely vulgar, and against our national principles and policies shall be changed.
2. Place names not conforming to Sections 3, 4, or 5 of Article 4 of these regulations shall be changed after concurrence is obtained from the departments concerned and the local masses.
3. Where a place has more than one name or a name can be written in more than one way, a unified name or the unified written character or characters for the name shall be determined.
4. Place names that do not specifically fall in any of the above categories, that need not necessarily be changed, and that the local masses object to having changed shall remain unchanged.

Article 6: The approving authority and procedures for naming and renaming places are as follows:

1. The regulations on management of administrative divisions issued by the State Council shall be followed in naming and renaming administrative divisions.
2. With regard to names of natural geographic elements, including mountain ranges, rivers, and lakes that are famous at home and abroad, and involve two or more provinces (autonomous regions or municipalities), suggestions shall be made by the related provincial, regional, or municipal people's governments and submitted to the State Council for approval.
3. With regard to names of natural geographic elements and residential areas in border regions involving the national boundary line and on seas involving the jurisdictional boundary line of islands, as well as those cited in border treaties and protocols, suggestions shall be made by the related provincial, regional, or municipal people's governments and submitted to the State Council for approval.
4. With regard to names of new geographic elements discovered as a result of scientific survey in internationally owned areas, suggestions shall be made by the competent authorities concerned and submitted to the State Council for approval.
5. Names of terraces, stations, ports, and yards of toponymic significance used by departments of various specialized fields shall be approved by the competent authorities of the respective specialized fields after concurrence in using the names has been obtained from the local people's governments.
6. Names of streets in cities and towns shall be approved by the municipal, city, or county people's governments concerned.
7. Procedures for approving other places names shall be established by the provincial, regional, and municipal people's governments concerned.
8. The work of naming and renaming places may be undertaken by toponymic organizations or units exercising control over place names or other departments. When other departments undertake this work, they shall solicit opinions from toponymic organizations or units exercising control over place names.

Article 7: Translation of place names from ethnic minority languages and of foreign place names into Chinese characters shall be standardized. The rules for translating such names shall be formulated by the National Toponymy Committee.

Article 8: The romanization of Chinese place names shall follow the scheme for the Chinese phonetic alphabet promulgated by the state as the unified standard. Detailed rules in this regard shall be formulated by the National Toponymy Committee.

Article 9: Toponymic organizations shall be responsible for collecting and publishing the place names approved and decided on by the people's governments at various levels. The approved names of administrative divisions may be collected and published in separate pamphlets by civil affairs departments. Publication of books on translated foreign place names shall be approved by the National Toponymy Committee; such books shall be compiled under arrangements of the National Toponymy Committee. All government offices, organizations, PLA units, enterprises, and institutions shall use standard place names in the toponymic books published by toponymic organizations or civil affairs departments.

Article 10: Work on toponymic archives shall be handled in accordance with the related rules of the National Toponymy Committee and the State Bureau of Archives.

Article 11: Local people's governments shall instruct the departments concerned to put up place name signs wherever necessary.

Article 12: Specific questions encountered in the implementation of these regulations shall be studied and answered by the National Toponymy Committee.

Article 13: These regulations shall go into effect on the date of their promulgation.

FIVE INDUSTRIAL PROHIBITIONS TO BE IMPLEMENTED

HK040808 Beijing CHINA DAILY in English 4 Feb 86 p 1

[By staff reporter Zhu Ling]

[Text] A quality control campaign is gaining momentum in China as the nation forges ahead with its plans to stem the slide in quality of its industrial and consumer goods. Starting this year, the State will strictly observe the implementation of "five prohibitions" among all industrial businesses, CHINA DAILY was told yesterday. The prohibitions are:

Any product not up to standard must not leave the factory. Such products cannot be included in total output and production value.

— Production of any industrial enterprise which has no quality control system or checking instruments is prohibited.

-- Use of substandard raw materials and spare parts is forbidden.

— Production and marketing of any product deemed by the state to be out of date or obsolete is strictly prohibited.

— Any sort of fraud involving the forgery of trade marks and passing off substandard products as quality goods is prohibited.

An official of the State Economic Commission said that any violation would be seriously dealt with. Investigations would be made and any manager responsible will be liable to dismissal from office or punishment through the courts. This determined move comes at a time when the whole country is basing all its economic work on improving quality and reducing costs -- two potentially fatal weak points in the nation's economy, according to Premier Zhao Ziyang. The State Economic Commission stressed that all industrial enterprises must be fully responsible for the after sale services. A system must be enforced this year making all industrial enterprises totally responsible for repair, replacement or reimbursement if the products are not up to standard.

In addition to this, the commission is drafting a new set of regulations of quality control to pave the way for the country's first law on quality. The State Economic Commission is calling for a concentrated effort to speed up the state licensing system to help maintain the quality of the country's major industrial and consumer goods.

Zhang Yunxia, an official of the Bureau of State Standards, told CHINA DAILY yesterday that the system is being expanded on a nationwide basis this year after a one-year trial programme. The emphasis of this year's licensing programme is on daily necessities and those products which are important to the national economy. This year, Zhang said, the bureau aimed to stamp out the practice by some enterprises, especially in rural areas of producing goods without even bothering to apply for licences. Enterprises which already have licences will come under regular examination. Their licences may be revoked if the quality of their products deteriorates. For the purpose of conducting regular spot checks on the country's major products, the state is setting up a national network of up to 140 quality control centers.

Zhang Guihua, a senior official of the China Quality Control Association, yesterday voiced his determination to help smooth the way for the nationwide campaign. He said that the state had chosen 1,000 larger "backbone" industrial enterprises to be first in setting off the overall quality control drive this year. "We have arranged a one-month crash course on quality control for managers of 100 representative larger enterprises in the later half of this year. Experts from the United States will be invited to Wuxi to conduct the course." Zhang revealed.

IMPORT SMOKING HALT BY LEADING COMRADES URGED

HK031408 Beijing GUANGMING RABAO in Chinese 25 Jan 86 p 1

[Article by Zi Chao: "Thoughts Related To Smoking Imported Cigarettes"]

[Excerpts] We have no idea when it suddenly became fashionable to smoke imported cigarettes. It certainly started in the south. In some cities, even taxi drivers all smoke imported cigarettes; and if you happen to present him with a China-made first-grade cigarette, you will often find yourself given the cold shoulder. It is said there that the sales volume of imported cigarettes accounts for half the total volume of the cigarette market.

Cigarettes are certainly different from opium. But is it not the case that in many foreign countries, the campaign against smoking is gaining momentum? In the United States, their law has long stipulated that a health warning, cigarette smoking is hazardous to your health, must be printed on the wrappers before cigarettes are allowed to be sold on the market.

In Singapore, if people smoke in public areas, they will be fined several hundred dollars. Smoking is gradually being regarded as uncivilized behavior. World opinion has strongly condemned some developed countries for dumping cigarettes in Third World countries. It is strange that in China, some people not only regard smoking imported cigarettes as the fashion, but have openly violated the explicit stipulations of the state that advertisements for tobacco and wine are forbidden, publicizing imported cigarettes under various pretexts such as car races. They have gone so far as to promote imported cigarette sales in half a page and even whole pages of the newspaper. How can this meet the requirement of our building socialist spiritual civilization?

Our leadership should take the lead in changing this strange phenomenon. I propose that leading comrades refrain from smoking imported cigarettes, or at least smoke fewer of them. There are three advantages in doing so: First, it would be helpful to the health of leading cadres; second, it would help raise our national dignity; and third, it would help build socialist spiritual civilization. Besides, we will reduce the waste of foreign currency which is very precious to our construction.

LI PENG CALLS FOR ENVIRONMENTAL PROTECTION

OW060008 Beijing XINHUA Domestic Service in Chinese 1300 GMT 5 Feb 86

[By reporter Ke Daxing]

[Text] Beijing, 5 Feb (XINHUA) -- The sixth meeting of the Environmental Protection Committee of the State Council, which opened today, urged all localities and departments to make continued efforts to serve the people by doing concrete environmental protection work. Li Peng, vice premier of the State Council, presided over the meeting.

According to the demands set at the meeting, during the first half of this year, people's governments at all levels should draw up their environmental protection plans for the Seventh 5-Year Plan period and incorporate them into their regional economic and social development programs. All cities, in particular those designated as key cities for environmental protection, should do something to control the discharge of waste gas, liquid, and residue and to control noise. All localities should pay close attention to the experimental work on controlling pollution caused by village and town enterprises and assign environmental protection workers to townships and towns. At the same time, they should designate some places as experimental centers for agricultural ecosystem protection and set up several different types of natural reserve zones. Investigations of industrial pollution sources in various localities should be completed this year, while a system of collecting fees for waste disposal should be put into practice on an extensive scale. In addition, the meeting set specific requirements to be met by the pertinent departments of the State Council with regard to environmental protection.

In summary Li Peng said: The past year witnessed new progress in environmental protection work in our country and completion of some concrete tasks in this regard. We should note, however, that doing good environmental protection work remains a long-term and herculean job. At present our country depends mainly on implementation of its environmental protection policy and on supervision and technology to control environmental pollution. Our country already has a policy and a series of regulations and statutes on environmental protection. We should step up the supervision of their implementation. Also, there are still considerable problems of environmental pollution, the solution to which depends mainly on our efforts to strengthen environmental control.

For this reason in doing environmental protection work now, we must emphasize strengthening environmental control, and must build a still better work force for environmental protection.

Li Peng pointed out: Although China now emphasizes urban areas in controlling environmental pollution, special attention should also be paid to solving the pollution problem caused by the large number of village and town enterprises in order for these enterprises to develop healthily. Li Peng said that the state environmental protection organizations should take the lead to do concrete work and try to achieve tangible results in protecting the environment.

FANG YI, HU QIAOMU, DENG LIQUN AT BEIJING SCHOOLS

OWO60555 Beijing XINHUA Domestic Service in Chinese 1245 GMT 5 Feb 86

[By reporter Zou Aiguo]

[Excerpts] Beijing, 5 Feb (XINHUA) -- Hu Qiaomu, member of the Political Bureau of the CPC Central Committee, extended his greetings to Beijing Municipality's middle and primary school teachers today. He said: "All sectors of society must concern themselves with teachers, and make them feel that society, schools, and the party are warm."

Fang Yi, member of the Political Bureau of the CPC Central Committee; Deng Liqun, member of the Secretariat of the CPC Central Committee; and Hu Qiaomu went to the Middle School No 34 in Beijing and the East Primary School No 44 in Dongcheng District of Beijing this morning to extend their Spring Festival greetings to the teachers and staff members in the field of education.

Fang Yi highly praised Middle School No 34 for its efforts to overcome difficulties and create conditions for turning itself into a vocational senior middle school. He said: "In middle school education, vocational senior middle schools must maintain a certain proportion. The vocational senior middle schools have bright prospects. Your experience constitutes a good proof."

Deng Liqun said: "It is our hope that those who work in the field of education will illuminate, at all times, the existing problems in the fields of culture, publication, film, and television to the central authorities. In dealing with good spiritual works, we must also actively conduct criticisms and give them wide publicity. We must unite our efforts, do a still better job in integrating literature and art with education, and further improve ideological and political work in school."

In the conference room of the East Primary School No 44 which was filled with commendations and banners, a responsible person of the school briefed Fang Yi, Hu Qiaomu, Deng Liqun, and other comrades on how this primary school closely followed the party's educational policy and explored means to further improve teaching. Wang Wenhui, a 57-year-old teacher dedicated to education, said to the leading comrades: "The classroom is where I belong. Although I am old, my mind is vigorous and my heart is young. My only wish now is to work hard and strive to join the CPC." Hu Qiaomu said: "We respect comrade Wang Wenhui's lofty qualities. There are many good comrades in the educational field like Wang Wenhui. All the sectors in society must concern themselves over these comrades' well being." Fang Yi said: "Comrade Wang Wenhui's spirit is worthy of our emulation and the respect of parents and society. Students will never forget her."

XI ZHONGXUN, OTHERS VISIT BEIJING SUBURB

OW052325 Beijing XINHUA Domestic Service in Chinese 1306 GMT 5 Feb 86

[By reporter Luo Changhua]

[Excerpts] Beijing, 5 Feb (XINHUA) -- Xi Zhongxun, Qiao Shi, and Wu Xueqian, members of the Political Bureau of the CPC Central Committee, came to Yufushangying Village of Taihu Township in Beijing's Tongxian County this morning to call on and extend regards to the peasants there. Xi Zhongxun praised this village as a small socialist paradise. The secretary of the general party branch of this village, 35-year-old Chen Hongzhi, said that under the guidance of the series of policies formulated by the party Central Committee aimed at making the people affluent, his village's gross industrial and agricultural production plus income from other operations totaled 7.5 million yuan in 1985. The amount of profit, he said, was 1.7 million yuan, and the peasants' average per-capita income reached 1,546 yuan.

Xi Zhongxun was very pleased with this report. He said: Your village should also develop animal husbandry by raising sheep and rabbits. This may be done either individually or collectively. Accompanied by village cadres, Xi Zhongxun and the other comrades visited the village's kindergarten as well as a chicken farm equipment factory and a shop for printing labels and trade marks on packages of commodities.

Xi Zhongxun and the other comrades also called at peasant Li Wenhua's home, a 5-member family with one person in school and four working. The family's annual income is 10,000 yuan or more. Li Wenhua's wife, Shang Wenduo, greeted the guests. Xi Zhongxun and the other comrades extended regards to her as well as to all peasants. Pointing to the characters "home of happiness" written above the door, Xi Zhongxun said to the hostess: Your home is a home of happiness and also a home of warmth. The hostess asked the leading comrades to come back again next year. Accompanying them on the visit was Chen Xitong, mayor of Beijing Municipality.

YAO YILIN, WANG ZHAOGUO VISIT FACTORIES

OW060553 Beijing XINHUA Domestic Service in Chinese 1253 GMT 5 Feb 86

[By reporter Li Shangzhi]

[Excerpts] Beijing, 5 Feb (XINHUA) -- Yao Yilin, member of the Political Bureau of the CPC Central Committee and vice premier, and Wang Zhaoguo, member of the Secretariat of the CPC Central Committee, visited the Beijing motor vehicle plant, the Beijing jeep corporation, and the street-cleaning plant No 4 this morning to extend their greetings to the workers. Yao Yilin and Wang Zhaoguo thanked the workers and staff on the industrial front for working hard for the fulfillment of the Sixth 5-Year Plan and hoped that they would make even greater contributions to the realization of the Seventh 5-Year Plan.

At the street-cleaning plant No 4, Yao Yilin and Wang Zhaoguo went deep into the workshops to hold cordial conversations with the workers and staff. Grasping a 20-year-old worker's hand, Yao Yilin said: "You are workers of the new generation in environmental hygiene. You must carry forward and bring into full play the famous model worker Comrade Shi Chuanxian's lofty spirit and make even greater efforts in cleaning the capital and doing hygiene work." Wang Zhaoguo said: "Whenever I see clean streets in the capital, I think of you and your hard work. The party Central Committee and State Council want to thank you wholeheartedly." Accompanying Yao Yilin and Wang Zhaoguo in visiting the factory workers was Li Ximing, secretary of the Beijing Municipal CPC Committee.

ANHUI URGES MOVES AGAINST CRIMINAL ACTIVITY

OW041037 Hefei Anhui Provincial Service in Mandarin 1100 GMT 3 Feb 86

[Text] The Legal and Political Commission of the provincial party committee convened a telephone conference on 1 February, at which the party committee, government, and judicial and public security departments at all levels were called on to accelerate work in quashing flagrant criminal activities in a strict and practical manner; it also called on them to do a good, practical job to effect various preventive measures involving public order to ensure the masses a pleasant Spring Festival.

Wang Shengjun, Standing Committee member of the provincial party committee and secretary of the Legal and Political Commission of that committee, arranged public order work during the Spring Festival. He said: All localities should actively implement the central authorities' principle of resolutely cracking down on various criminal activities by handling cases promptly, and handing out stiff sentences according to law. All localities should dare to handle tough cases, overcome obstacles and interference, and promptly deal with major and important cases. If a death sentence is called for, it should be resolutely imposed. Never show leniency.

Comrade Wang Shengjun pointed out: To ensure good public order during the Spring Festival, various departments and units should cooperate closely, and strictly implement crime prevention measures. As for legal, political, propaganda, education departments, trade unions, CYL, and the women's federation, they should step up supervision of the cultural market. Materials contaminating social conduct should be strictly banned; such activities as gambling and feudalistic superstition should be strictly banned. Public security bureaus and people's armed police should coordinate with communications departments to ensure the safety of communications lines. Especially, leading organs and vital departments should conduct a major security check; measures should be taken to rectify omissions; a responsibility system should be instituted at every level; every measure should be individually implemented. The parties concerned and the leading persons should be held responsible for major incidents and face criminal prosecution.

HUANG HUANG, WANG YUZHAO AT ANHUI WORK MEETING

OW040221 Hefei Anhui Provincial Service in Mandarin 1100 GMT 2 Feb 86

[Excerpts] The Anhui Provincial CPC Committee called a provincial rural work conference in Hefei from 27 January to 2 February.

Attending the conference were the secretaries of various prefectural, city, and county party committees; comrades in charge of agriculture in prefectural administrative offices and city and county people's governments; and responsible comrades of departments, commissions, offices, and bureaus directly under the provincial authority.

At the conference, Meng Fulin, member of the Standing Committee of the provincial party committee and vice governor of the province, relayed the guidelines laid down by a central conference on rural work.

Wang Yuzhao, deputy secretary of the provincial party committee and governor of the province, made a report entitled: "Carry Out Reforms in Depth and Invigorate the Rural Economy in an All-round Way."

Huang Huang, secretary of the provincial party committee, made a concluding report at the conference.

Comrades at the conference held: The past year was a year during which we continued to carry out reforms, invigorate the economy, and vigorously develop various undertakings in our province's rural areas. Peasants' average per-capita income in the province now is about 356 yuan, thus fulfilling the 350-yuan-per-capita income requirement set in 1982 by Comrade Hu Yaobang for our province's rural areas in 1985.

After reviewing the course of reform in 1985, comrades at the conference held: To effectively carry out reforms in their second stage in the rural areas, it is necessary to do the following things:

1. It is necessary to continuously overcome interference and to persistently carry out reforms.
2. It is necessary to respect the masses' initiative and to take a road according to Anhui's actual conditions.
3. It is necessary to give correct guidance in order to ensure the sound development of reform.
4. It is necessary to give greater decision-making power to county-level organization and to carry out reforms in depth.

The conference pointed out: The general requirements for our province's rural work in 1986 are to implement policies, carry out reforms in depth, improve conditions for agricultural production, effectively do organizational work with the stress on service, and bring about a steady, sustained, and coordinated development of the rural economy.

In addition, the conference also set the following 10 tasks for this year. 1) Continue to readjust the setup of rural production; 2) promote a vigorous development of village and town enterprises; 3) further promote the circulation of commodities; 4) improve the cooperation system with the stress on service; 5) strengthen and improve the contract system; 6) effectively lighten the burden on the peasants; 7) introduce new sciences and technologies into rural areas as soon as possible; 8) quickly improve the conditions for agricultural production; 9) effectively assist poor areas in improving their situation; and 10) continue to carry out the comprehensive reform of the economic structure at the county level.

JIANGSU LEADERS AT SUPPORT ACTIVITIES MEETING

OW041031 Nanjing Jiangsu Provincial Service in Mandarin 1100 GMT 3 Feb 86

[Text] Leaders of Jiangsu Province, Nanjing Military Region, and Nanjing City happily got together this afternoon to discuss plans for further promoting activities of supporting the government and cherishing the people and of supporting the Army and giving preferential treatment to families of revolutionary martyrs and servicemen in the coming new year. The meeting was held at the auditorium of the reception center on Zhongshan East Road in Nanjing.

Attending the meeting were responsible persons of Jiangsu Province and Nanjing City, including Han Peixin, Shen Daren, Gu Xiulian, Sun Han, Liu lin, Chu Jiang, Cheng Weigao, Jia Shizhen, Xu Zhi, Zhang Yaohua, and Zhang Chenhuan, and of Nanjing Military Region, the Nanjing Military Region Air Force, military academies in Nanjing, and the Jiangsu Provincial Military District, including Xiang Shouzhi, Fu Kuiqing, Wang Chengbin, (Shi Yixiao), (Liu Leitian), (Li Yongbo), (Jiang Yunxian), Zheng Zhubo, (Ma Zhaomin), Li Gai, (He Yikun), Zhen Shen, and Yue Dewang. Wang Chao, responsible comrade of the Jiangsu Provincial Armed Police Corps, also attended the meeting.

During the roundtable discussion, the party, government, and Army leaders drank tea and freely aired their views on unity between army men and civilians. Han Peixin, secretary of the provincial party committee, presided over the meeting. Governor Gu Xiulian was the first to speak. She said: During the past year Jiangsu has achieved remarkable progress in the work in all fields. This is inseparable from the vigorous support and close cooperation given by the PLA units stationed in Jiangsu. Carrying on the Army's fine tradition, PLA units stationed in Jiangsu have actively supported the local people's construction, while striving to carry out the structural reform and reduction-in-strength reorganization and accelerate the regularization and modernization of the Army. They have made remarkable contributions to supporting industrial and agricultural production and capital construction, assisting the local people in dealing with natural disasters and emergencies, preventing and controlling diseases, planting trees, training militiamen, and maintaining public order, and to organizing Army-civilian joint building of spiritual civilization.

Comrade Gu Xiulian said: In the coming new year, we must do a solid job in supporting the Army and giving preferential treatment to families of revolutionary martyrs and army men, extensively publicize the Army's new achievements in safeguarding the motherland and carrying out the modernization drive, and foster a healthy atmosphere of respecting and cherishing the Army. We must also go all out to support the Army's reform and construction, continue to do a good job in giving preferential treatment to families of revolutionary martyrs and army men and making proper arrangements for retired Army cadres, cadres transferred to civilian jobs, and demobilized servicemen, render more good services for the Army and beneficiaries of preferential treatment, and consolidate and develop the new relationship between the Army and the government and between army men and civilians.

In his speech, Fu Kuiqing, political commissar of Nanjing Military Region, said: This year will be a crucial year for the Army's structural reform and reduction-in-strength reorganization. In order to do a good job in supporting the government and cherishing the people in the new situation, the Army should pay close attention to the work in the following three fields: First, it is necessary to step up education among army men on the nature, goals, tasks, policies, and discipline of the PLA. Second, it is necessary to continue the Army-civilian joint building of socialist spiritual civilization, with the focus on cities. Third, it is necessary to have the Army subordinate itself to the overall situation in national construction by providing manpower, material, and intellectual resources to local construction.

Zhang Yaohua, mayor of Nanjing City, also spoke at the forum. After the meeting, the leading comrades watched performances by the province's literary and art workers.

JIANGSU LEADERS ATTEND RURAL WORK CONFERENCE

OW031001 Nanjing Jiangsu Provincial Service in Mandarin 2300 GMT 1 Feb 86

[Excerpts] The Jiangsu Provincial CPC Committee and Jiangsu Provincial People's Government recently held a provincial conference to discuss work in the rural areas. The conference studied and made arrangements for this year's rural work in the province. The conference called on the various localities to conscientiously implement the party's policies, deepen reform, improve production conditions, and pay attention to the various services before and after production in order to achieve a bumper harvest in agricultural production this year. The conference called for continuing efforts to promote steady, stable, and coordinated development of the rural economy and to strengthen the foundation for realizing the objectives of reform and development under the Seventh 5-Year Plan.

The conference was held from 25 January to 1 February in Nanjing. At the beginning of the conference, Comrade Sun Han, deputy secretary of the provincial CPC Committee, transmitted the guidelines of the central conference on rural work and, on behalf of the provincial CPC Committee, put forward policies and measures to implement these guidelines.

On the afternoon of 1 February, responsible comrades of the provincial CPC Committee, the provincial people's government, and the provincial Advisory Commission, including Han Peixin, Shen Daren, Gu Xiulian, Sun Han, Zhou Ze, Ling Qihong, and Chen Ketian, attended the last meeting of the conference.

Comrade Han Peixin, secretary of the provincial CPC Committee, delivered an important speech at the meeting. After explaining the general guidelines for economic work in 1986, he emphasized: Economic work in the rural areas has entered a new phase with increased demand and more difficult tasks. The party committees at various levels must cope with the new situation and further strengthen and improve their leadership over economic work in the rural areas. Accordingly, we must strengthen our study, heighten our understanding, pay attention to investigation and study of rural work, strengthen coordination among the various departments, strengthen organizational building, further improve the system of having cities rule over countries, do our best to increase agricultural investments, and strengthen scientific and technological work in the rural areas.

Governor Gu Xiulian also spoke at the meeting. On behalf of the provincial people's government, she expressed her sincere solicitude for and gratitude to the cadres and masses who have made contributions to promoting agricultural production. She said: The agricultural work of this province in the Seventh 5-Year Plan period should rise to a new level. The comrades in all trades should firmly establish the thinking of taking agriculture as the foundation and vigorously support the development of the rural economy.

Comrade Shen Daren, deputy secretary of the provincial CPC Committee, called on the various localities to grasp party rectification while doing a good job in promoting rural economic work, and to pay attention to building both spiritual and material civilization.

Before the meeting closed, Comrade Ling Qihong, vice governor of Jiangsu, made a report on the arrangements made for production, services, management, and improvement of supplies of nonstaple foods in urban and rural markets this year. He stressed that at present attention should be paid to strengthening field management for summer-ripening crops and farming preparations for autumn-ripening crops as well as to building water conservancy projects during the winter-spring period in order to reap an all-round bumper harvest this year.

JIANGXI'S WAN SHAOFEN ADDRESSES RURAL CONFERENCE

OW031156 Nanchang Jiangxi Provincial Service in Mandarin 1100 GMT 1 Feb 86

[Excerpts] Followings are excerpts of a speech by Wan Shaofen, secretary of the Jiangxi Provincial CPC Committee, at the closing session of a provincial conference on rural work, entitled "Rural Reform Can Only Advance Steadily and Cannot Regress."

The speech is divided into three parts: 1) questions that need to be clearly understood or solved in rural reform; 2) further strengthening the basic position of agriculture in the national economy; and 3) improving party style and doing a good job of party rectification in rural areas.

Comrade Wan Shaofen said: In terms of the growth rate of 1985, Jiangxi ranked fourth in industry, fifth in light industry, sixth in agriculture, and seventh in financial revenues among all provinces and municipalities in the country. We have also won the first battle in the second-step rural reform, reaped bumper agricultural harvests, and taken an initial step in the construction of old revolutionary bases.

During the current conference, participants have offered many constructive suggestions, which can be summarized as the following:

First, rural reform can only advance steadily and cannot regress. The initial success achieved in the reform last year have fully proven that the arrangements made by the central authorities for the second-step reform in rural areas are entirely correct.

Second, it is necessary to retain merits and eliminate defects in the course of reform and to carry out both construction and destruction.

Third, it is necessary to coordinate the relationship of interests between various sectors. Unlike the first-step reform, the second-step rural reform -- which is being carried out at the same time as the urban economic reform -- involves more sectors and a greater scope.

Fourth, it is necessary to give priority to enlivening the circulation in carrying out the rural reform because many problems in our economic development are caused by a clogged circulation system.

In the second part of her speech, Wan Shaofen called for further strengthening the basic position of agriculture in the national economy. She said: It is an economic law, as well as a law of nature, to develop the national economy based on agriculture. It is necessary to steadfastly adhere to this law as a long-term strategic policy. Wan Shaofen put forth the following four demands as far as this question is concerned:

First, it is necessary to place agriculture and rural work in an appropriate position in the national economy as a whole. To invigorate Jiangxi's economy, it is necessary to step up the pace of agricultural development.

Second, it is necessary to strengthen the infrastructure of agriculture. We should realize that Jiangxi's material and technological foundations for agriculture are still rather weak. If we fail to pay due attention from now on, we will not be able to reserve strength for agricultural development, and to fulfill the Seventh 5-Year Plan and the goal of quadrupling the country's gross annual industrial and agricultural output value before the end of this century.

Third, all departments must strive to provide services for the peasants, and should ask themselves how many concrete measures they have taken for the grass roots.

Fourth, it is necessary to strengthen the leadership over rural work, first of all, to overcome negligence in thinking and slackening of efforts at the rural work, and, second, to replenish leadership forces over agriculture.

In the third part of the speech, Wan Shaofen touched upon the questions concerning improvement of party style and party rectification in rural areas. She stressed the following two points:

First, leaders at all levels should take the lead in improving party style.

They should set a good example in using their powers to serve public interests and in opposing the abuse of power for selfish gains. In improving party style, it is also necessary to take into account the overall interests and strengthen the unity. It is hoped that all leading comrades and Communist Party members will play an exemplary role in using their powers to serve public interests, studying and working hard, striving for self-improvement, stressing efficiency, considering the overall situation, and struggling in unity.

Second, it is necessary to persistently conduct positive education to ensure the success of party rectification in rural areas, which will be conducive to consolidating and developing the excellent situation, facilitating deepening of the reform, enlivening the economy, boosting enthusiasm, and stimulating the forces of production.

In conclusion, Wan Shaofen said: It is the hope of the provincial party committee that the large numbers of party members, cadres, and ordinary people throughout the province will conscientiously implement the guidelines of the party Central Committee's No. 1 Document by persistently carrying out and deepening the rural reform and ensuring the success of party rectification in rural areas, and that they will work hard and struggle in unity to promote the commodity economy in rural areas and enable the 28 million peasants to embark on the road of common prosperity as quickly as possible.

JIANGXI LEADERS ATTEND RURAL WORK MEETING

OW030736 Nanchang Jiangxi Provincial Service in Mandarin 1100 GMT 31 Jan 86

[Text] The Jiangxi provincial rural work conference ended in Nanchang yesterday after a 5-day session.

The meeting conveyed the guidelines set forth by the central rural work conference, studied the new situation and new problems appearing in the course of rural reform and economic development, and drew up this year's rural projects.

The representatives attending the meeting were in high spirits. They were pleased to know that last year Jiangxi's second-stage reform was a success, agricultural production registered a big increase, a good start was made in building the old revolutionary areas, and the province's agriculture growth ranked sixth in the country.

While happily recalling the situation, they also discussed future projects as well as ways to deal with problems that have appeared. The discussion was lively as everybody talked about what was on their minds without any inhibition.

The policies and measures the meeting has set forth for Jiangxi's thorough-going reforms will give an enormous impetus to unifying people's understanding, coordinating their pace, and bringing about a more prosperous commodity economy.

When the meeting was in session, leaders of provincial party and government organizations heard reports about the situation in various prefectures and cities, and joined the participants and leaders of departments concerned in studying ways and means for resolving the problems put forward at the meeting.

Wan Shaofen, secretary of the Jiangxi provincial party committee, and Ni Xiance, deputy secretary of the provincial party committee and governor of Jiangxi, addressed the closing session yesterday afternoon.

Other party and government leaders attending the meeting yesterday afternoon were Liu Fangren, Xu Qin, Pei Dean, Wang Baotian, (Lu Xiaozhen), (Wang Jianhua), Zhao Zengyi, Wang Shixian, Wang Shufeng, Qian Jiaming, (Sun Xiyue) and (Chen Guisun).

SHANDONG ARTICLE ON UNHEALTHY TRENDS AMONG CADRES

SK030556 Jinan DAZHONG RIBAO in Chinese 15 Jan 86 p 1

[Commentator's article: "It Is Necessary To Have a Good Mental Attitude"]

[Excerpts] At the beginning of the new year, the CPC Central Committee paid attention first to the central organs' rectification of party style, explicitly calling on central organs to act as examples. Focusing on improving the way of thinking, the provincial CPC Committee and government proposed launching the activities of creating new attitudes, a new work style, and a new mental outlook among their organs. This important plan, which serves as an effective guarantee for promoting the overall reform and the two civilizations, sets forth a request and a call to all personnel of organs for successfully carrying out all work for the first year of the "Seventh 5-Year" Plan period with a new mental attitude.

We should say that the overwhelming majority of our office cadres are good. They strive to complete their own work conscientiously and diligently, doing a great amount of highly efficient work for the fulfillment of the party's general task for the new period. Among them, many fine party members and cadres who are hardworking and brave in creating the new have been named as model laborers and advanced workers, and praised by the masses. Old cadres have carried forward the party's fine traditions and taken the lead in rectifying party style. New cadres have set strict demands on themselves and vigorously created a new situation in their work. New atmospheres have emerged continuously in organs thanks to the mutual respect, unity, and cooperation between old and new cadres. We should also seriously point out, however, that the mental attitude of some cadres in some departments and units is very bad. The masses have many complaints about various kinds of serious unhealthy trends.

Some cadres drift along aimlessly instead of doing work. They lack dedication, vigor, initiative, and a sense of responsibility; are muddling in their work; and possess lax work styles. What is worse, they criticize reform instead of working out ways of reform, find fault with people instead of trying to improve work, and take issue with the work they refuse to do.

Some cadres are enthusiastic about political liberalism. They neither study the party's principles and policies nor conduct in-depth investigations and research. They have endless complaints and strange comments. They love to hear and pass on hearsay, find fault with everything everywhere, spread the feeling of dissatisfaction, and even fabricate vicious slander.

Some cadres are obsessed by a lust for money, and seek fame, profits, and position endlessly, vying for higher pay and posts, and for housing. They do not think of doing more work but only think of getting more money, and even abuse their authority to attend parties, accept gifts, and go sightseeing, and engage in business in violation of regulations.

Some cadres are lax in abiding by discipline; practice favoritism in disregard of principles; assume the mediocre person's philosophy that "it is better to make friends than to make enemies, and it pays to do others a favor"; pay no attention to bad persons and deeds; and let unhealthy trends to unchecked. They form small coteries and factions, impairing the unity of the cadre contingents.

In addition, there are a few cadres who indulge in embezzlement, bribery, blackmail, speculation, smuggling, and sales of smuggled goods, taking the road of crime. Of course, this is a problem of another nature.

Although these problems concerning the cadre contingents of organs are directly related to the unhealthy trends in society, they can cause greater harm and more serious consequences because they exist in leading organs. In fact, the unhealthy trends in the cadre contingents of organs not only damage the image of the party and the government, and adversely influence the flesh-and-blood relations between the party and the people, but also greatly impair the performance of organs' functions, and give some bad persons opportunities for taking advantage. To rectify party style and social conduct, leading organs and their cadres should take the lead, carry forward the good styles of thinking and working, and adopt a good mental attitude.

In order for the cadre contingents to adopt a good mental attitude, a fundamental measure is to strengthen the party's ideological and political work and intensify the education on party spirit, party style, and party discipline so that the masses of party members and cadres will raise their awareness in upholding the four basic principles and implementing the party's line, principles, and policies, and will take the overall situation into account, stress unity and actual results, and vie for more contributions at any time and at every place. Taking the overall situation into account means that we should gear our words and deeds to the long-term interests of the country and the nation, and do everything for the prosperity of the country and the people and for the sustained development of the socialist cause. Stressing unity means we should understand the importance and the significance of unity; pay attention to maintaining unity among cadres, between people in and outside the party, and between higher and lower levels; and do our work successfully with concerted efforts. Stressing actual results means we should do everything in a down-to-earth manner, seek actual results instead of undeserved reputation and flourishes, and make our work serve the grass-roots units and the people. Vying for more contributions means we should not compare our seniority, living conditions, and wages with those of others, but should understand that the value of life lies in our contributions to society and the people, not in demands from them. The more we vie for comforts, the more angry we will be, but the more we vie for contributions, the more vigorous we will be. We should firmly believe that as long as the country and the socialist cause have a bright future, our lives will become better quickly.

We are fully confident that party and government organs will take the lead in rectifying party style. The CPC Central Committee and the provincial CPC Committee have a firm determination, and have set forth correct principles and corresponding arrangements for rectifying party style. As long as we follow the requirements of the CPC Central Committee and the provincial CPC Committee in a down-to-earth manner, we will certainly build our leading organs into command and advisory departments with strict discipline and high efficiency, and into organs that are politically firm and organizationally compact and can lead the masses in achieving greater victories in reform and the four modernizations with the spirit of the foolish old man.

SHANGHAI LEADERS ADDRESS RURAL WORK MEETING

OW311113 Shanghai JIEFANG RIBAO in Chinese 26 Jan 86 p 1

[Excerpts] The Shanghai municipal meeting on rural work ended victoriously yesterday in Songjiang. Comrades attending the meeting unanimously pointed out: "We now have a clear-cut guiding ideology on doing work in suburban areas, principles and policies as well as decision-making powers. We have enhanced our vitality in developing a commodity economy in urban and rural areas."

The basic task laid down at the Shanghai municipal meeting on rural work is to tackle the issue of awareness and at the same time solve some practical problems.

During the meeting, comrades who came from suburban areas earnestly studied the guidelines laid down at the national conference on rural work and listened to reports delivered by Rui Xingwen, secretary of the Shanghai Municipal CPC Committee, and Jiang Zemin and Ye Gongqi, mayor and vice mayor of Shanghai. They also heard speeches delivered by 10 units and warmly discussed developing the economy in close connection with the actual situation in suburban areas.

In the course of discussions, comrades of the municipality's rural party committees, the municipal agricultural commission, and various counties also pointed out: In order to implement the guidelines laid down at this municipal meeting on rural work, cadres at all levels should make less empty talk, perform more actual deeds, conduct investigation and study in a down-to-earth manner, proceed from reality, and adopt measures to fulfill tasks one after another. In doing work regarding state farms and the cities and towns in suburban Shanghai, a subject not discussed in detail at this meeting, we must conduct investigation and study even more carefully and work out measures to carry out reforms and solve problems.

ZHEJIANG CIRCULAR ON CHECKUPS ON MISUSED LAND

OW040129 Hangzhou Zhejiang Provincial Service in Mandarin 1000 GMT 1 Feb 86

[Text] In a recent circular, the provincial government asks all localities in the province to conduct a full-scale investigation of the problem of indiscriminate use of land for urban and rural construction. Emphasis will be put on investigating and dealing with the land used for various urban and rural construction projects since 1 January 1984, including the land used for state and collective construction projects and for private housing construction in rural areas.

The circular says that the following cases of misuse and waste of land should be investigated and dealt with: Illegal use of land, use of land without obtaining approval as required by the law, use of more land than approved, going beyond the designated authority to examine and approve applications for use of land, use of land based on the city or town construction plans instead of having obtained the required approval from the authorities concerned, cadres' misuse of power to use land for building private houses, illegal buying and selling of land, illegal leasing of land, blind occupation of land without using it for construction, occupation of more land than required for construction, misuse of large tracts of grain fields and vegetable-producing land for construction projects while nonarable land is available, misuse of high-yield grain fields and vegetable-producing land for building brick and tile kilns, and failure to use the urban land after it has been requisitioned. The circular stipulates that the investigative work be completed prior to the end of March this year.

The circular requests that while investigating and dealing with the various problems of misuse of land, all localities conduct education in the national policy of treasuring the value of land and protecting the crop fields as well as propaganda and education aimed at popularizing the knowledge of laws and regulations about land.

HENAN TAKES MEASURES TO IMPROVE PARTY CONDUCT

HK301220 Zhengzhou HENAN RIBAO in Chinese 16 Jan 86 p 1

[Report by Zhao Derun: "Henan Provincial CPC Committee Starts With Its Standing Committee in Straightening Out Party Style"]

[Text] For the past 2 days, Yang Xizong, secretary of the Henan Provincial CPC Committee, has presided over the meeting of the Standing Committee to conscientiously study the speeches made by Hu Yaobang and other central leading comrades at the cadre meeting of the departments directly under the CPC Central Committee in line with actual conditions in the province. The meeting decided that the Standing Committee members should take the lead in measuring themselves by the guideline of these speeches and improving party conduct by proceeding from actual conditions so that the departments directly under the provincial CPC Committee would play an exemplary role in improving party conduct in the province.

Comrade Yang Xizong said: With the advent of the new year, the party Central Committee has made sincere efforts to improve party conduct by starting with the departments directly under its leadership. This is an important policy decision enjoying the popular support of the party, the Army, and the people. Making the most of the favorable situation, Henan Province should make great efforts to check unsound practices in leading organs and among leading cadres, while consolidating the achievements made in party rectification and reviewing party rectification in the departments directly under the province. One of our major tasks for 1986 is to bring about a basic improvement in party conduct and general social conduct and to improve the reform of the economic structure in the urban and rural areas.

Since the 3d Plenary Session of the 11th CPC Central Committee, Henan has achieved great successes in various fields of work after correcting past errors. In addition to this, organs at or above the county level have achieved good results in their party rectification. At present, the political and economic situation in the province is good, but party conduct has not yet fundamentally improved. The provincial CPC Committee is of the opinion that all the unhealthy tendencies specified by the central leading comrades can be found in Henan to a certain degree, and in particular political liberalism and individualism are quite popular among a certain number of party member cadres. Some are keen on spreading "hearsay" and making mischief through gossip, some seek personal gains by taking advantage of their power and position and openly ask for greater power and better treatment from party organizations, and others even violate discipline and law and are involved in some major criminal cases.

Members of the provincial CPC Committee Standing Committee hold that, in provincial terms, the key to improving party conduct lies in the organs directly under the province and in leading cadres as well. For this reason, in improving party conduct, we should on no account adopt the method of "leading cadres are taken ill but cadres at the basic level take medicine." To this end, members of the provincial CPC Committee Standing Committee and leading cadres at or above the departmental level in the organs directly under the province should take the initiative.

The provincial CPC Committee Standing Committee has decided to set up a leadership group for improving party conduct in the organs directly under the province. It has also taken the following concrete measures:

1. To conscientiously study speeches by the central leading comrades. Leading cadres at various levels of all departments and units of the organs directly under the province should conscientiously study speeches by Comrade Hu Yaobang and other central leading comrades according to the actual conditions in the province and their units and in line with what they think.

They should also thoroughly understand the necessity, significance, and importance of taking the lead in improving party conduct by leading organs and cadres.

2. To strictly measure oneself. The provincial CPC Committee Standing Committee as well as the party committees and groups of all the departments and units directly under the province should maintain the normal practice of democracy and strictly measure themselves according to the guideline of speeches by the central leading comrades, and solve their own problems. While reviewing the problems identified in the course of party rectification, they should examine whether unhealthy tendencies are checked according to the requirements set by the party Central Committee and of peoples' expectations.

3. All the departments and units of the organs directly under the province should work out plans and measures for improving party conduct. They should also establish the responsibility system and accept supervision by the masses. If party conduct does not improve for a long time in some units, their principal leaders should be held responsible for it.

4. Major and important criminal cases should be investigated and dealt with without delay. Criminal cases involving responsible cadres, especially cadres at or above the departmental level should be thoroughly investigated and dealt with according to party discipline and state laws; no lenient treatment should be accorded to any criminals, even high-ranking officials. In investigating major and important criminal cases, any cadre who retaliates against those who expose crimes, or openly shields other's mistakes should be dealt with under party discipline and state laws.

HUBEI PEOPLE'S CONGRESS APPOINTS ACTING GOVERNOR

HK311031 Wuhan Hubei Provincial Service in Mandarin 1100 GMT 30 Jan 86

[Text] The 19th meeting of the 6th provincial People's Congress Standing Committee concluded in Wuchang today. During this meeting, committee members examined and discussed the requests to resign their positions of governor and vice governor which had been submitted respectively by Huang Zhizhen and Tian Ying, and the suggestions on the appointments and removal of individual leading members of the provincial government which had been proposed by the Hubei Provincial CPC Committee. They unanimously expressed agreement.

Today, the meeting adopted the decision on the appointment of Guo Zhenqian as acting governor, the decision on the appointment of Duan Yongkang and Xu Penghang as vice governors, and the decision on the discharge of Tian Ying from the post of vice governor; elected, through a by-election, Guo Zhenqian as a deputy to the Sixth NPC; and adopted other appointments and removals.

Chairman Han Ningfu presided over today's full meeting and spoke at the conclusion of the meeting. He said: At this meeting, the appointments and removals of leading members of the provincial government are important matters which have a bearing on invigorating Hubei's economy and which enable our province to stand in the van of the four modernizations. In the course of examination and discussion, the committee members placed some hopes and set some demands on the several comrades who have been newly appointed. This shows that the committee members, particularly comrades of the older generation, cherish and place hopes on new cadres.

Han Ningfu also put forward views on arrangements for the provincial People's Congress Standing Committee to study and implement the speeches of leading comrades of the central authorities at the rally of intermediate organ cadres. He stressed: The central authorities are now vehemently grasping party style.

The provincial People's Congress Standing Committee must regard supervisory work, particularly legal supervisory work, as an important task and guarantee and push forward the smooth progress of reform of the economic structure and of all reforms. Vice chairmen of the provincial People's Congress Standing Committee, including Li Fuquan, Zhang Xiulong, Tao Shuzeng, Jiao Dexiu, Zhang Jinxian, Shi Chuan, Lin Musen, Chu Chuanyu, and Lin Shaonan, attended the meeting. Vice Governor Liang Shufen, provincial Higher People's Court President Ma Liang, provincial People's Procuratorate Chief Procurator Zhong Shuqin, and responsible persons of departments concerned of the provincial people's government and of all city and autonomous prefectural People's Congress standing committees attended the meeting as nonvoting delegates.

The following is the namelist of appointments and removals which was adopted by the 19th meeting of the 6th provincial People's Congress Standing Committee today: (Luo Derun) is appointed chairman of the Hubei Provincial Economic Committee; Guo Zhenqian is discharged from the post of the chairman of the Hubei Provincial Economic Committee which he concurrently held; (Cui Jianrui) is appointed as the chairman of the Hubei Provincial Science and Technology Committee; (Liang Jiahui) is discharged from the post of the chairman of the Hubei Provincial Science and Technology Committee; (Zhang Zhisheng) is appointed as the director of the National Defense Science, Technology, Industry Office of the Hubei Provincial People's Government; (Zhang Lulin) is discharged from the post of the director of the National Defense Science, Technology, and Industry Office of the Hubei Provincial People's Government; Tian Qiyu is appointed as the director of the Hubei Provincial Public Security Department; Zhang Siqing is discharged from the post of the Director of the Hubei Provincial Public Security Department; Tian Ying is discharged from the post of the chairman of the Hubei Provincial Education Committee which he concurrently held.

The following are biographical notes on Comrades Duan Yongkang and Xu Penghang, the newly appointed vice governors:

Comrade Duan Yongkang, aged 53, is a native of Yiyang County, Hunan Province, with the cultural standard of a university. He took part in work in 1950 and joined the party in 1953. He was appointed as a worker of a county civil affairs division, a deputy director of a county tax bureau, a division head of the tax bureau of the Jingzhou Commissioner's Office, and a deputy director and the director of the prefectural finance bureau. In 1983, he was appointed a deputy secretary of the Jingzhou Prefectural CPC Committee and the commissioner of the commissioner's office.

Xu Penghang, male, aged 45, is a native of Huangmei, Hubei, with the cultural level of an institution of higher education. He participated in work in 1964 and joined the party in 1971. He served as a deputy director of the Daye County Iron and Steel Plant, the secretary of the party general branch, a deputy director of the Daye County Industry and Communications Office, a deputy head of Daye County, a member of the county CPC Committee Standing Committee, and a member of the Huangshi City CPC Committee. In 1983, he was appointed a deputy secretary of the Huangshi City CPC Committee and mayor.

GUIYANG HOLDS RALLY, SENTENCES ECONOMIC CRIMINALS

HK030904 Guiyang Guizhou Provincial Service in Mandarin 2300 GMT 27 Jan 86

[Text] On 27 January, Guiyang held a rally on seriously hitting at economic crimes. It sentences 13 economic criminals including (Zhang Yong) in a public trial it was attended by more than 2,800 workers of provincial and city organs.

At the rally, Ding Tingmo, deputy secretary of the provincial CPC Committee, delivered a speech. He said: At present, the mainstream of the province's economic and political situation is very good. It is one of the best periods since the founding of the state. Judging from the experience gained over recent years, we think the most important point is that we have upheld, from start to finish, the principle of simultaneously grasping two areas, which was proposed by the 12th CPC Congress. On the one hand, we upheld the policy of opening up to the outside and invigorating the domestic economy; and on the other, we resolutely hit at serious crimes in both the economic and political and cultural circles which pose a threat to socialism.

Over the years, some economic criminals flaunted the banner of reforms and invigorating the economy while committing crimes. This reflects an important feature of the current economic crimes. Not only do various kinds of outrages committed by these criminals share no common ground with reforms and opening up, but they have also seriously undermined the policy of the reforms and opening up.

Comrade Ding Tingmo said: Party and government leaders at various levels, as well as responsible comrades of all departments, must, on the basis of heightening their understanding, really include in their daily agenda the struggle of hitting at serious economic crimes. The principal responsible comrades must personally handle the work. Nobody is allowed to ignore it. In the course of struggle, departments such as the discipline inspection, political, and legal departments, and industrial and commercial departments and auditing departments must coordinate closely with each other. They must be bold in tackling tough issues, overcome the influence of relationships, have a clear idea about the focal points, and handle major cases well. They must master the policy, strictly enforce the state's laws and regulations, strictly distinguish and correctly handle the contradiction between the two different kinds of matters. They should educate the masses by citing typical examples, and seriously do well in the work in an all-round way.

At the rally, the provincial people's higher court, the Yupyan District and Nanming District People's Courts of Guiyang City sentenced 13 people including (Zhang Yong) in a public trial.

Criminal (Zhang Yong) embezzled a huge amount of money and committed grave crimes. Therefore, his case is most serious. He was sentenced to death and deprived of political rights for life. Other criminals were also sentenced to fixed-term imprisonment.

HU JINTAO AT GUIZHOU RETIRED CADRES' TEA PARTY

HK010938 Guiyang Guizhou Provincial Service in Mandarin 2300 GMT 28 Jan 86

[Excerpts] On the morning of 28 January, the provincial CPC Committee, provincial Advisory Commission, provincial People's Congress, and provincial government jointly held a 1986 Spring Festival tea party for the retired cadres of the organs at the provincial level. Attending the tea party were some 400 representatives of the Red Army veterans and veteran cadres who took part in the revolutionary work in the period of the great revolution, in the war of resistance against Japan, and in the war of liberation.

(Long Zhiyi), provincial CPC Committee Standing Committee member and the provincial CPC Committee's Organization Department director, presided over the tea party. Hu Jintao, secretary of the provincial CPC Committee, and Deputy Secretary Ding Tingmo attended the tea party and spoke. On behalf of the provincial CPC Committee, provincial Advisory Commission, provincial People's Congress, and provincial government, Comrade Ding Tingmo extended seasonal greetings and cordial regards to the Red Army veterans and veteran cadres attending the tea party. In his speech, Comrade Hu Jintao thanked the veteran comrades for their concern and support for the work of the provincial CPC Committee. (Qin Shang), chairman of the provincial Advisory Commission, spoke at the party.

GUIZHOU STUDIES CENTRAL LEADERS' SPEECHES

HK031415 Guiyang Guizhou Provincial Service in Mandarin 2300 GMT 30 Jan 86

[Excerpts] On 29 January, the provincial CPC Committee held a conference of responsible people from the provincial CPC Committee bureau and committees, as well as organs and party organizations directly under the provincial authorities. The conference reported the situation in studying the important speeches of central leaders, and the situation in correct party work style.

The conference was presided over by Ding Tingmo, deputy secretary of the provincial CPC Committee. Hu Jintao, secretary of the provincial CPC Committee, said in a speech that organs directly under the provincial authorities must set examples for the province in the area of correcting party work style.

Comrade Hu Jintao said: Organs directly under the provincial authorities must treat as important the task of building the organs to campaign in taking the lead in correcting organ and party work style and in setting examples for the province. In other words, this is first proposed after considering the state and roles of the organs in the province. Second, this is proposed after taking into consideration the present situation of party work style among the organs.

Generally speaking, party work style of organs directly under the provincial authorities has developed in the right direction over the years. Most party members and cadres are good or relatively good people. But we must also realize that some units and departments engage, to varying degrees, in the unhealthy tendencies of bureaucratic work style; liberalism in the political circle; individualism in thinking, departmental selfishness in work; the practice of focusing on relationships rather than party spirit when selecting people and are lax in discipline. These tendencies were pointed out by the central leaders. In addition, some of them are very serious and some have even reached the stage of committing serious crimes.

If we do not correct party work style, it will be difficult to shoulder our glorious historical responsibilities. It will also hinder the progress of the four modernizations. No matter what kind of viewpoint they may take, they must set examples for the province in the areas of improving organ work style and correcting party style.

On the specific requirements of correcting unhealthy tendencies and party work style among the organs, Comrade Hu Jintao said: Organs directly under the provincial authorities must pay attention to the following points:

First, they must really grasp the work firmly. Party organization and discipline inspection committees, and particularly the principal leading comrades, of various units must place the task of correcting unhealthy tendencies in an important position.

Second, they must work hard and carry out the work in a down-to-earth manner. Starting from specific problems and cases, they must solve them one by one. They must not hide the facts or not solve the cases after investigation. In addition, they are not allowed to commit new mistakes in the course of investigation.

Third, they must grasp and handle the major cases. They must act unswervingly and in a bold manner.

Fourth, the leadership must take the lead in the work. When correcting party work style, they must start with the leading cadres, and encourage them to set examples for the others.

Fifth, they must resolutely grasp two areas at the same time. That is to grasp both the building of socialist material civilization and the building of socialist spiritual civilization. In other words, they must uphold the principles of reform and opening up, and implement the tasks of promoting a fundamental turn for the better in party work style and the general mood of society. Under no circumstances must they allow their will to waver.

In his conclusion, Comrade Hu Jintao pointed out: In the course of studying and examination, as well as the process of simultaneous rectification and correction of defects, we must mobilize the masses without making a terrific din. We must perfect the party's system of democratic activities and carry out criticism and self-criticism without allowing everyone to pass the examination or launching any movements. The CPC Central Committee is very determined in terms of correcting party work style. It has also formulated the correct principles and plans. So long as we act in accordance with the CPC Central Committee and in a down-to-earth manner, we must achieve successes. Organs will certainly set examples for the province in the course of correcting party work style.

GUIZHOU'S HU JINTAO ATTENDS ARMED FORCES MEETING

HK010337 Guiyang Guizhou Provincial Service in Mandarin 2300 GMT 31 Jan 86

[Excerpts] The People's Armed Forces Commission of the Guizhou Provincial CPC Committee held its ninth meeting on 31 January. The meeting stressed stepping up militia and reserve service work while building the two civilizations, and organizing and launching the militia to make greater contributions to building up Guizhou and enriching the people.

The meeting held: Last year the province's militia and reserve service work were stepped up in the course of reforms. The militia played a backbone role in building the two civilizations. The number of militia specialized households and economic combines has grown to 245,000. There are 12,953 civilized units which the militia have played a major role in building.

In upholding public order, 2,800 full-time Armed Forces cadres and over 50,000 militia-men have cooperated with the public security departments in capturing a number of criminals and unearthing some hidden loot. Over 100,000 militia have helped in fighting natural disasters, thus making a contribution to invigorating Guizhou.

The conference held: To organize and launch the militia to take part in building the two civilizations, focused on economic construction, and to do a good job in militia and reserve service work during the building of the two civilizations is an important guiding idea on militia and reserve service work in the new period. We must properly shift the focus of militia work to be subordinate to and serve the state's economic construction.

Hu Jintao, secretary of the provincial CPC Committee and chairman of the provincial People's Armed Forces Commission, spoke at the meeting. He said: In the present circumstances, when the state is concentrating forces for economic construction and the PLA units are being greatly reduced and streamlined, we must do a thoroughly sound job in firming up militia and reserve service work, and set strict demands on training.

YANG RUDAI AT SICHUAN PARTY BUILDING CONFERENCE

HK030959 Chengdu Sichuan Provincial Service in Mandarin 2300 GMT 29 Jan 86

[Excerpt] The conference of organization department directors of the city, prefectural, and autonomous prefectural CPC committees which was convened by the provincial CPC Committee's Organization Department and lasted 5 days concluded in Chengdu yesterday afternoon [29 January]. The conference discussed the problems of how to further strengthen the building of rural grass-roots party organizations in the new situation of reform so that rural grass-roots party organizations and party members can give better play to the role of a fighting force and to the vanguard and exemplary role. It also put forward the general requirements for correctly estimating the situation of grass-roots organizations; correctly handling relations among the grass-roots organizations; doing all aspects of grass-roots work well; raising grass-roots party organizations' combat effectiveness; and promoting reform of the rural economy. Comrades Yang Rudai and Nie Ronggui spoke at the conference. (Li Hongren), deputy director of the provincial CPC Committee's Organization Department, conveyed the spirit of the national forum on the building of rural grass-roots party organizations. La Jinxiu, Organization Department director, delivered a speech entitled: "Strengthen the Building of Rural Grass-roots Party Organizations and Promote Reform and Economic Development in Rural Areas."

At present, two main problems exist in building rural grass-roots party organizations and in party members in our province: 1) The new situation in rural reform is not suited; 2) the concept of the party is weak and a small number of party members and cadres lack the lofty communist ideals and sense of responsibility for building socialism. There are many reasons for the existence of these problems. One of the important reasons is that after the focal point of the party's work was shifted, some of our comrades lacked understanding of the importance of putting rural grass-roots party organizations on a sound basis and failed to grasp it firmly. They have insufficiently studied the new situation and the new problems which they have encountered in the course of advance. They have not solved them vigorously enough.

The conference put forward the main tasks of strengthening our province's rural grass-roots party organizations in the new situation:

1. It is necessary to further readjust and reinforce village leadership groups and to seriously readjust rural grass-roots party leadership groups this year and next year in accordance with the principle of four transformations of cadres.
2. It is essential to really strengthen training district and township cadres.
3. It is imperative to vigorously grasp the development of rural party members.
4. It is necessary to seriously and correctly handle relations between township and town organizations, to establish the basic work system, and to put it on a sound basis.

The conference demanded that CPC committees at all levels must strengthen leadership over the work of rural grass-roots party organizations.

Only by doing well in grasping the building of grass-roots party organizations can we really strengthen party leadership over rural work.

PU CHAOZHU ATTENDS YUNNAN RURAL WORK CONFERENCE

HK010147 Kunming Yunnan Provincial Service in Mandarin 2300 GMT 31 Jan 86

[Excerpts] The provincial rural work conference convened by the Yunnan Provincial CPC Committee held a full session on 31 January, at which provincial CPC Committee Secretary Pu Chaozhu made an important speech. He dealt with the following issues:

1. On the question of how to view the rural situation, he said: The situation in Yunnan, as in the whole country, is very good. There is a diversity of views within this fine situation, and these need specific analysis. These views have emerged mainly around the readjustment of the rural production structure, reform of the circulation step up, comprehensive reform in the counties, and institution of financial responsibility systems. We should therefore unify the ideological understanding of the whole party, affirm its resolve and confidence for reform, have a clear idea of the orientation of reform, consolidate the fruits of reform, and digest, firm up, and perfect the various reform policies and measures. Problems that occur in the course of reform can only be solved by perfecting the reforms; we cannot go back to the old road.
2. On the question of perfecting the grain purchase contract system Pu Chaozhu said: The base figure for grain procurement in Yunnan has been readjusted many times, and the contract responsibility base figure stipulated to be kept unchanged for 10 years has now been included in the land contracts of the peasant households. The peasants have been glad to accept this. As a result of test by practice, everyone has publicly acknowledged that this is the most reasonable figure. Hence, in perfecting the grain contract purchase system, it is necessary to base the work on this reasonable grain requirement, and refrain from throwing it out. Grain contract purchase is an economic contract that needs gradual perfection, and is also a state task whose fulfillment must be assured.
3. On the question of increasing investment in agriculture Comrade Pu Chaozhu said: On this issue, we must first stress increasing investment in popularizing and applying science and technology. First, we must step up investment in science and technology for agriculture, animal husbandry, and forestry. This is an investment item that the majority of counties are currently able to shoulder. Second, we must increase investment in water conservancy construction and in improving the basic conditions for agriculture. The focus in short-term water conservancy construction investment is on repairing facilities destroyed by the floods last year, so as to guarantee this year's production.
4. On the question of relying on science and technology to invigorate the rural economy Comrade Pu Chaozhu said: There are in fact two steps in developing the rural economy. After the 3d Plenary Session of the 11th CPC Central Committee, we relied on policies to reform the people's commune management system. To switch the rural areas to commodity production and modernization, the production level has to advance a new step. Only by relying on science and technology to improve yields and improve agricultural productivity can we achieve this switch.
5. On the question of actively supporting and developing the township enterprises Comrade Pu Chaozhu said: The township enterprises in Yunnan got off to a late start, and their base figure is low.

The problem of excessive development does not exist in this province. We must continue to adopt the guideline of actively supporting and vigorously supporting these enterprises.

6. On helping poor areas transform their appearance Pu Chaozhu said: Yunnan has about 4 million people living in particularly poor areas. We must assign responsibility to different levels, concentrate the forces of all sectors, seek truth from facts, act in light of local conditions, take advantage of local strong points and avoid weak ones, and properly solve the food and clothing problems there as soon as possible. We should gradually create the necessary basic conditions for them to develop commodity production.

7. On the question of strengthening leadership and improving work style Comrade Pu Chaozhu said: Leadership means service. The leaders at all levels must go down to the grass-roots to investigate and study, draw nourishment from the masses' practice, and do a thoroughly sound job in working to invigorate the rural economy.

Conference Concludes

HK020149 Kunming Yunnan Provincial Service in Mandarin 2300 GMT 1 Feb 86

[Excerpts] The Yunnan Provincial CPC Committee's 9-day rural work conference concluded in Kunming on 1 February. Provincial CPC Committee Deputy Secretary Liu Shusheng presided. Secretary Pu Chaozhu was present. Deputy Secretary and Governor He Zhiqiang delivered a summation entitled: "Do a Good Job of Providing Services, Do More Practical Deeds, and Make New Contributions To Developing the Rural Economy."

He Zhiqiang said: That all sectors and trades should serve agriculture is determined by the status and role of agriculture. This has been our consistent principle. All sectors and trades must promote service work, centering on developing rural commodity economy and stimulating the advance of agricultural modernization. The leaders at all levels, all departments, and all sectors and trades must further deepen their understanding of the importance of rural work, firmly embrace the idea of serving agriculture, and persevere in promoting service for agriculture.

Comrade He Zhiqiang said: To serve the development of rural economy, it is necessary to coordinate the efforts of various sectors and get a good grasp of the following task: 1) Put the agricultural education system on a sound basis and train talented people urgently needed in the rural areas. 2) Mobilize the forces of the whole of society to vigorously popularize the fruits of agricultural science and technology. 3) Actively promote the spark plan and vigorously support the development of township enterprises. 4) Help poor areas to identify key projects for getting rich and transforming their poverty as soon as possible.

In conclusion, Comrade He Zhiqiang gave his views on implementing the spirit of this conference. He demanded that all localities organize forces to publicize the spirit of the central and provincial rural work conferences and implement the relevant policies and regulations down to the grass-roots as soon as possible. Efforts should be made to achieve still greater success in the province's rural reforms and economic development.

TIANJIN ISSUES CIRCULAR ON IMPROVING WORK STYLES

SK020344 Tianjin TIANJIN RIBAO in Chinese 13 Jan 86 p 1

[Text] The municipal CPC Committee and government recently issued a circular on further improving the work styles of organs, and worked out 10 regulations.

1. Purchasing and exchanging imported cars in violation of regulations is not permitted. Party and government organs and leading cadres at all levels should allocate and use cars in line with the relevant regulations of the CPC Central Committee, the State Council, and the municipal CPC Committee and government. Cars not covered by the quotas or used in violation of regulations should be recalled without exception. From now on, all organs and people's organizations, except for those with special approval, will be prohibited from importing cars. Purchase and replacement of cars should be carried out only when the cars are covered by the quotas. When purchasing various types of cars, the funds should come from proper sources, and indiscriminately transferring funds from enterprises or establishments, or buying imported cars in a disguised manner in the name of enterprises or establishments, is not permitted. Cars purchased or replaced in violation of regulations should be registered and reported to higher levels, and be purchased with the unified prices fixed by supply departments.
2. Arbitrarily sending personnel abroad is not permitted. Authoritative departments should examine and give approval strictly, select and send personnel in line with actual needs, and conduct conscientious checkups on those to be sent abroad. No organs are permitted to arbitrarily increase the number of the personnel to be sent abroad. Leading cadres at and above the bureau level should obtain the approval from city mayors or competent vice mayors before they go abroad. No organ should place two or more leading cadres in one visiting group or team. Procedures for submitting reports on and giving approval for the purpose of the visits and the personnel to be sent abroad should be abided by strictly, and no departments or personnel are permitted to bypass the immediate leadership and submit their reports to higher levels.
3. Violating discipline regarding foreign affairs is not permitted. Relevant departments should educate the personnel, and work out discipline for them to abide by strictly before sending them abroad. Once any deeds in violation of the discipline regarding foreign affairs are discovered, relevant departments should deal with them sternly according to their authority for cadre management. If the offenses are serious, they should be investigated and handled by discipline inspection departments and other authoritative departments.
4. Conducting tours with public funds is not permitted. Party and government cadres at all levels are strictly forbidden to visit tourist attractions at public expense, or to do so in a disguised manner on the pretext of attending meetings or learning from the experiences of other units. When visits for the purpose of learning from the experiences of other units are deemed necessary, the purposes of the learning activities, the composition of personnel, the routes of the travel, and the planned expenditures should be strictly examined and approved by higher party and government departments. No authoritative department should give approval to organ cadres, incumbent or retired, who visit tourist attractions with public funds, and financial and accounting departments should not reimburse them for their expenditures.
5. Holding various meetings in tourist cities or scenic sites is not permitted. All units and departments should submit written reports to higher authoritative departments and obtain their approvals before they can hold meetings in other areas.

The number of persons invited to meetings convened by various academic societies, associations, and research societies located in tourist cities and scenic sites should also be strictly controlled. Those who attend without permission should be criticized and educated, and their expenditures should not be reimbursed.

6. Engaging in extravagance and waste on various pretexts is not permitted. The number of receptions, tea parties, consultative conferences, and commemorative meetings should be strictly controlled, and they should be held in a simple fashion. They should not be taken as opportunities for wining and dining and for establishing personal relations. If these meetings or conferences are truly necessary because of the needs of work, they should be examined and approved by authoritative bureaus (or units at the bureau level).

7. Giving parties or gifts with public funds is not permitted. Leading cadres are strictly forbidden to ask for goods from lower levels through various measures or by taking advantage of inspections, visits, and examinations of work, and lower levels are strictly forbidden to give parties or gifts to higher levels. With regard to those who give parties and gifts with public funds and those who attend parties or accept gifts, party and government organs at higher levels should circulate notices of criticism with a certain scope, and should mete out disciplinary punishments if the offenses are serious.

8. Obtaining improper income is not permitted. Except for their wages and the collective benefits given by their organs, party and government cadres at all levels should not ask for or accept gifts, income from concurrent jobs, bribes, and other improper income. Those who violate regulations and obtain improper income should earnestly make an account, and return all the money they obtain within a fixed period of time, in addition to conducting self-criticism to party organizations. With regard to the proper earnings from concurrent teaching jobs, writing of articles, and translations which are done in line with relevant regulations, party and government cadres should pay taxes according to law.

9. Party and government organs, leading cadres, and their children and spouses are not allowed to abuse power and various conveniences provided by their work to do business for profit in violation of regulations. Industrial and commercial administrative departments should reexamine the enterprises run by party and government organs. Children and spouses of the leading cadres at and above the county or the regimental levels should not engage in business, except for working in state and collective units, China-foreign joint ventures, and the labor service units set up in order to place the children of staff and workers. Children of all cadres, in particular those working in economic departments, are forbidden to avail themselves of the ties and influences of their families and to establish relationships to participate in or be assigned to do illegal purchasing and reselling of goods at huge profits by taking advantage of the difference between list prices and negotiated prices.

10. Taking as an opportunity the new year and Spring Festival to arbitrarily issue bonuses, subsidies, and materials is not permitted. Unwarranted bonuses and subsidies should all be returned, and the various materials purchased with public funds and already issued should be recalled, using the original sum of money as a basis, and should not be registered as a public account.

ZHOU HUI AT NEI MONGGOL SPRING FESTIVAL FORUM

SK030135 Hohhot Nei Monggol Regional Service in Mandarin 1100 GMT 1 Feb 86

[Excerpts] On 31 January, the Nei Monggol Regional Military District held a forum on the occasion of Spring Festival with the participation of leading comrades from the Army and government organs to speak glowingly of the excellent political and economic situation and to hail the marked achievements scored by the Army and government organs

in fostering unity and jointly building spiritual civilization.

Attending the forum were leading comrades of the regional party and government organs, including Zhou Hui, Bu He, Batubagen, and Tian Congming, as well as leading comrades of the regional military district, including Cai Ying and Liu Yiyuan.

At the forum, Comrade Cai Ying first delivered a speech, in which he stated: Under the correct leadership of the Central Military Commission and Chairman Deng Xiaoping, the regional military district scored marked achievements in building PLA units in 1985. It successfully fulfilled the tasks of conducting party rectification work and simplifying and reorganizing troops, resulting in further enhancement of Army building.

In his speech, Comrade Cai Ying stated: We still have some shortcomings and deficiencies in our work. Therefore, we urge all comrades to offer more suggestions and criticism in order to enable us to become better in the future.

In his speech, Comrade Zhou Hui stated: The Spring Festival will begin in a few days. It is very good for us to hold such a forum on this occasion each year; the contact between the Army and local government organs is very necessary. Following the contact made at the forum, both the Army and government organs can achieve mutual understanding and will do their work more smoothly.

In his speech, Comrade Zhou Hui stressed: The Armed Forces should take the lead in straightening out party style because they have been well organized and conducted education strictly. Therefore, we should learn from the PLA units.

In concluding his speech, Comrade Zhou Hui expressed wishes for a happy Spring Festival to the broad masses of commanders and fighters and the comrades from various leagues and cities.

SUN WEIBEN SPEAKS AT HEILONGJIANG CADRE MEETING

SK311105 Harbin Heilongjiang Provincial Service in Mandarin 1000 30 Jan 86

[Text] On 30 January the Heilongjiang Provincial CPC Committee held a meeting of cadres of the provincial-level organs to mobilize party members and cadres of the provincial-level organs to further study and implement the guidelines of the speeches of the central leading comrades at the meeting of cadres of the central organs, to take vigorous action and serve as examples for the whole province in rectifying party style, and to make new and greater contributions to achieving fundamental improvements in party style and social conduct, thereby deepening the whole economic structure reform focusing on the reform of the urban economy and fulfilling the Seventh 5-Year Plan.

Sun Weiben, secretary of the provincial CPC Committee, presided over and addressed the meeting. Hou Jie, deputy secretary of the provincial CPC Committee, delivered a speech to mobilize and make arrangements for the provincial-level organs to improve party style. Chen Lei, chairman of the provincial Advisory Commission, also gave a speech at the meeting. The title of his speech was: "The Leading Cadres of Provincial-Level Organs Should Serve as Models in Improving Party Style."

Sun Weiben said: [Begin recording] Just now, Comrade Hou Jie made specific plans for improving the party style of the provincial-level organs on behalf of the provincial CPC Committee and government. Comrade Chen Lei has also given very good suggestions. Now, let me repeat the following few issues before ending this meeting. First, we should fully understand the important significance of making the provincial-level organs play an exemplary role in improving party style. Improving the party style is the most prominent issue among the current tasks of running the party strictly and strengthening the building of the party. In the past we often said that improving party style is a major issue affecting the life or death of the party. Judging from the situation of the province, improvements in the party style of the provincial-level organs have a vital bearing on a fundamental turn for the better in the party style of the whole province. In the course of checking malpractices, it will be more convincing and appealing if the provincial-level organs have good party style and if all the key problems have been solved.

There is an old saying that if one does not behave properly, how can he expect others to behave properly? What we expect of the lower-level units and other people must be done by the provincial-level organs and the leaders of the provincial CPC Committee first. And what we do not want the lower-level units and other people to do must also not be done by the provincial CPC Committee leaders and the provincial-level organs. We should follow this rule. Judging from the current situation, our province still has many problems in its party style. Just now, Comrade Hou Jie also cited facts and manifestations in many fields in his speech. These manifestations show that we are still far from meeting the demands of achieving a fundamental turn for the better in party style.

Recently, the central authorities held a meeting of cadres of the central-level organs, calling on these organs to serve as examples for the whole country with their actual deeds. This has created a very good situation for us to strengthen the building of the party and provided very advantageous conditions for us. Such a major policy decision and move is in accord with the desires of the party and the people. It will surely play a great part in promoting a fundamental turn for the better in party style and social conduct and will exert a profound and far-reaching influence on the people. In order to create such a good situation, we should work unswervingly in line with the demands of the central authorities and should strive to achieve a fundamental turn for the better in party style.

All of you should note that this is a very urgent task for party organizations at all levels of the provincial-level organs.

All departments and units of the provincial-level organs and each and every Communist Party member should conscientiously study and understand the guidelines of the speeches of the central leading comrades concerning this work. In the course of checking malpractices, should serve as leadership cores and fighting bastions worthy of the name and should fully display our vanguard and exemplary role.

Second, we should strengthen our confidence in achieving fundamental improvements in party style. In Comrade Hou Jie's specific plans, he also mentioned this: The provincial CPC Committee Standing Committee has discussed and decided that the provincial-level organs should exert 1 year of untiring efforts and take the lead in completing the task of improving party style by the end of this year. At present, some comrades have questioned whether it is possible for them to fundamentally improve party style. In short, they are both happy and anxious. They are happy that the situation is very good and that the central authorities have paid great attention to the work. They also worry that the people will say much but do little, and will intentionally do perfunctory work and fail to really solve the problems.

Such a state of mind is not absolutely groundless. In the speeches the central leading comrades, they also mentioned that we have grasped party style problems in the past few years but the results are not ideal. Some work styles of the party-member cadres and some social habits are really very bad. Some are even very corrupt. In the discussions held at a Standing Committee meeting, the participants finally reached the conclusion that so long as we make up our minds and exert efforts to improve our work style, it is absolutely possible for us to achieve a fundamental turn for the better in party style. We should implement the principle of the central authorities which calls for resolute and persistent efforts in improving party style. Regardless of who is involved, we should not give consideration to personal feelings.

We should grasp the work firmly and through to the end no matter what obstacles and influence we may encounter. If we fail to do this, it will be impossible for us to check all evil trends and malpractices.

Third, the provincial-level organs should serve as examples for the whole province and make due contributions to fundamentally improving the party style. The provincial-level organs throughout the province should take the lead in this regard. The Standing Committee of the provincial CPC Committee should start the work first. The leading bodies of the six provincial-level departments should start the work on their own initiative. In addition to not abusing power to seek personal gain, they must also work selflessly and serve as models in observing laws and discipline. Furthermore, they must also educate their relatives and children not to engage in malpractices. However, if their children have problems, they must allow the relevant departments to handle them in line with party discipline and state laws.

As for unhealthy trends in various fields, the leading comrades should be brave in grasping, checking, and resisting them. The Standing Committee of the provincial CPC Committee should take the lead in doing this. They should serve as examples for others. The top leaders of the provincial-level organs, establishments, and units should also take the lead in this regard. They should let one person's examples stimulate the whole group and the examples of a whole group of persons to stimulate all the people. We should establish the responsibility system in improving party style at all levels. If a unit fails to improve its party style for a long time, then the leaders of this unit should be regarded as derelict in their duty and should be called to account. Therefore, each and every unit should firmly grasp the work and clearly understand the major problems in its unit and should find out the main direction to deal with their problems.

TEXT They should put forward measures and guarantee improvements in its party style.

In order to start the work first in the provincial CPC Committee, the Standing Committee has decided to devote several half-days to hold regular activities of organizations prior to Spring Festival, make comparisons and conduct examinations in line with their actual situations, and conduct criticism and self-criticism.

Five other major provincial-level departments have also decided to do the same. Comrade Hou Jie has made known our stands on behalf of the provincial CPC Committee and government. We welcome all of you to criticize and supervise the leading bodies of the six provincial-level organs in an effort to help us do a good job in conducting rectification and making corrections.

Fourth, the whole party should grasp party style, and should improve party style in all fields. Leaders of the provincial CPC Committee should take the lead in this regard and realistically make all party members manage party affairs. The discipline inspection commissions as well as the CPC committees should grasp party style. The CPC committees should include improving party style on their agenda. All leaders should assume responsibility in the work, follow, trust, and, rely on the masses, and realistically create a political situation in which the whole party has grasped party style. If a Communist Party member fails to pay attention to party style, he cannot be called a qualified Communist Party member. All provincial-level department, after this meeting, should immediately arrange the time, at least two half-days, to study the speeches of the central leading comrades prior to the Spring Festival. They should also study the documents and regulations issued by the central authorities, the plans given by Comrade Hou Jie at this meeting on behalf of the provincial CPC Committee and government, and Comrade Chen Lei's speech.

We should conscientiously study these documents and speeches in line with the situations in our units, and make corrections in the course of study. After study we should work out and implement specific measures for correction. All in all, our provincial-level organs should, on the basis of the existing party rectification achievements, consolidate and develop the party rectification achievements and comprehensively advance the work of fundamentally improving party style. To this end, we should take improving party style as a driving force to stimulate us to fulfill the various tasks put forward by the provincial CPC Committee work conference held last year.

Comrades, as long as we act firmly in accordance with the demands of the CPC Central Committee, display fully the exemplary role of the provincial-level organs, and allow the masses to give criticism and supervision, and make the leading comrades at all levels personally assume leadership over the work and grasp the work bravely, unhealthy trends surely will be checked. The fundamental improvements in the party style of provincial-level organs will surely be achieved within this year and a gratifying situation in the party style and social conduct of the whole province will surely emerge. [end recording]

HEILONGJIANG CONGRESS APPROVES PERSONNEL CHANGES

SK030541 Harbin HEILONGJIANG RIBAO in Chinese 22 Jan 86 p 3

[Text] The following is the namelist of personnel changes approved by the 19th Standing Committee meeting of the 6th Heilongjiang Provincial People's Government, Xu Guangquan [6079 1639 0356] was appointed chairman of the provincial Planning and Economic Commission.

Oiu Zhongli was dismissed from his concurrent post of chairman of the provincial Planning and Economic Commission.

HEILONGJIANG CPC CIRCULAR ON EXPULSION OF CADRES

SK040212 Harbin Heilongjiang Provincial Service in Mandarin 1000 GMT 2 Feb 86

[Text] The Discipline Inspection Commission of the Heilongjiang Provincial CPC Committee has issued a circular on expelling from the party (Wang Zhengming), former member of the leading party group of the provincial Power Industry Bureau and deputy director of the bureau, and two other bureau-level cadres for extortion and accepting bribes. The circular calls on party organizations at all levels throughout the province to thoroughly investigate all law violators, no matter who they are, how high they rank, how long they have been in service, and how able they are. At the same time, those leading cadres who have given unprincipled protection to officials violating the law and discipline, have harbored and connived with evildoers, and have bent the law for the benefit of relatives and friends should be held to account.

At the end of 1984, asked by his relative (Gao Jude), (Wang Zhengming), former member of the leading party group of the provincial Power Industry Bureau and deputy director of the bureau, made a phone call to the Harbin Power Industrial Equipment Plan subordinate to the provincial Power Industry Bureau. Through the phone call, (Wang Zhengming) forced this plant to sell 50 tons of rolled steel at preferential prices to the Linyi County Fuel Company in Shandong Province. For this deal, (Gao Jude) asked for 25,000 yuan in commissions from the buyer of the rolled steel. After receiving the cash, (Gao Jude) made his wife and son send 10,000 yuan of cash to (Wang Zhengming) on 30 January and 15 February 1985 respectively. In fear of the leakage of this malpractice, on 15 March 1985 (Wang Zhengming) sent (Gao Jude) to Shandong Province's Linyi County to inquire about the situation. Informed of the fact that there was no problem there, he set his mind at rest. On 24 March when the buyer of the steel sent someone to visit (Wang Zhengming) at his house, (Wang Zhengming) did not return the illicit money. Then, along with the further development of party rectification of this bureau and the investigation of the provincial integrated investigation group (Wang Zhengming) had a premonition that this illegal deal would be brought to light. Therefore, he sent the 10,000 yuan of illicit money back to the house of (Gao Jude) and made (Gao Jude) return this money to the Linyi County Fuel Company. In October when the leading party group of the provincial Power Industry Bureau talked with (Wang Zhengming) on whether there was any problem in approving the purchased of this amount of steel, (Wang Zhengming) continued to conceal this malpractice.

(Yang Cheng), former secretary of the leading party group of the Harbin City Industrial and Commercial Administration Bureau and director of the bureau, obtained personal gain on many occasions by using the opportunities of giving business licenses, and extorted and accepted more than 16,000 yuan in bribes. His other links to crimes are under investigation.

(Yi Jingshan), former secretary of the CPC Committee of the Harbin City Real Estate Bureau, shielded and supported criminals to commit crimes during the time when he was responsible for the work of this bureau. In purchasing rolled steel and locks for a subordinate unit alone, he received 20,000 yuan in cash bribes and a color television set worth 1,800 yuan from criminals. His other links to crimes are under investigation.

In its circular, the provincial Discipline Inspection Commission pointed out: As high-ranking cadres of the party, (Wang Zhengming), (Yang Cheng), and (Yi Jingshan) have gone so far as taking advantage of their positions and power to seek personal gains and accept a huge sum in bribes. They have completely forfeited the character of a party member and the qualifications for serving as leading cadres, and embarked on the road of crime.

With the decision of the leading party group of the provincial Power Industry Bureau, the provincial CPC Committee approved the expulsion of (Wang Zhengming) from the party, and suggested his dismissal from all his administrative posts. With the decision of the Harbin City CPC Committee and the people's government, (Yang Cheng) and (Yi Jingshan) were dismissed from the party and all their posts. A few days ago the abovementioned three criminals were arrested by the judicial departments.

The circular states: As bureau-level cadres, failing to withstand the temptation of corrosive bourgeois ideas and money, (Wang Zhengming), (Yang Cheng), and (Yi Jingshan) fell captive to selfish desires and money, forsook the purpose of wholeheartedly serving the people, departed from the correct stand and moral character of communists, and degenerated into borers eating away at the foundations of the socialist construction cause and into criminals against the people.

It is not accidental that these three cadres embarked on the road of crime. (Wang Zhengming) committed serious mistakes early in the Cultural Revolution period. When the evil trend of issuing lavish cash prizes and materials ran rampant in society, he indulged in this trend, and became the person who received more cash prizes and materials than anyone else in the bureau. (Yang Cheng) and (Yi Jingshan) had been warned in the past by organizations against abusing their power to serve their own interests. But they did not heed the warning, and were not worried at all. In the course of party rectification they refused to correct their mistakes, straighten out their ideological style, and draw lessons from their past mistakes. On the contrary, they continued to go single-mindedly after money, and fished for a huge amount of profits. Finally, they have degenerated and embarked on the abyss of crimes.

In the circular, the provincial Discipline Inspection Commission also pointed out: Although the number of persons in the party who accepted a huge sum in bribes, like (Wang Zhengming), (Yang Cheng), and (Yi Jingshan), is not large, this is not an individual case, and the cases of accepting bribes involving 10,000 yuan each have taken place here and there. Party organizations at all levels must pay serious attention to this situation; should seriously and conscientiously investigate and deal with those evil trends and specific law violations which have taken place in their subordinate localities and units; should administer the party severely; and should strictly execute party discipline and the state law. We should investigate and deal not only with law breakers, but also those leading cadres who have given unprincipled protection to law-breaking officials, harbored and connived with evildoers, and bent the law for the benefit of relatives and friends. Such leading cadres should be punished or brought to account as the case may require, and should never be treated softheartedly. Only by so doing can we effect a fundamental turn for the better in party style.

HEILONGJIANG REPORT ON OVERDUE TEACHERS' WAGES

SK020225 Harbin Heilongjiang Provincial Service in Mandarin 1000 GMT 31 Jan 86

[Text] The general office of the provincial people's government recently relayed to various localities throughout the province the report submitted by the provincial Educational Commission with regard to the outstanding accounts incurred by some localities with the teachers of the people-run schools and the opinions on dealing with these accounts.

In dealing with the outstanding accounts, the report puts forward the following four measures:

1. The people's governments at all levels and the departments in charge of the work should regard as a major item the wages of teachers of the people-run schools in carrying out the unified financial arrangements at the township level in order to strive to pay the teachers without delay, within the year payment is due, and to refrain from causing new debts.

2. The townships and villages that have had old debts in this regard should repay the debts annually from funds they have raised in line with their actual situation in order to thoroughly deal with the debts within 2 or 3 years.
3. Efforts should be made to conduct reasonable readjustment in the proportion between teachers of the state-run schools and those of the people-run schools in order to lighten the people's burdens.
4. A good job should be done in further carrying out the work-study program among the rural schools in order to increase their incomes and to gradually increase their proportion of funds raised through their own efforts.

'TERM RESPONSIBILITY SYSTEM' SUCCESSFUL IN SHENYANG

HK270325 Beijing CHINA DAILY in English 27 Jan 86 p 4

[By Dong Lisheng]

[Text] The "term responsibility system" for enterprise directors, under experiment for 20 months in Shenyang, Liaoning Province, has been a success. It has helped strengthen economic control, improved results and stabilized enterprises, according to Li Zhonglu vice-mayor of the city.

Under the system the term of office of a factory director is usually four to five years. When taking up a post, a director must submit a paper listing his or her targets. The paper should draw up yearly and long-term plans, and define ways to fulfill them, said Li, who used to be a machine engineer. It should also describe rewards and penalties, according to whether the goals are met or not.

The annual plans should cover quality, output, profit, technological innovation, research of new products, management, workers' training and welfare.

Experimental results in 233 Shenyang enterprises are encouraging, so the city government has decided to introduce the system to all enterprises, the vice-mayor told CHINA DAILY.

A survey of 18 enterprises using the new system shows that compared with the same period of 1984, their output value increased an average 22.8 per cent in the first 11 months of last year. Profits went up 56.6 per cent, and tax and profits turnover to the State, 25.4 per cent.

Under the system, the director and each worker have clearly defined responsibilities. Thus factories are conducted in an orderly fashion.

It helps prevent directors from concentrating mainly on current performance and neglecting the future expansion of the enterprise.

Some directors said that they used to plan production no more than one year in advance because they were eager for instant success and benefits. The new system ensures that enterprises will more wisely balance the relationship between their immediate and long-term interests.

The Shenyang Transformer Plant, for instance, is one of China's main transformer producers. But its equipment and test methods cannot meet current demands to expand production.

After the plant shifted to the new system, it concentrated labour, finances and materials on large-scale technological innovation, even though this means temporarily limiting current output. In this way, it hopes to revise all its products and double its output value in five years.

The new system makes it possible to appraise officials more effectively by using quantitative and qualitative methods.

The system also helps Party committees and workers' unions to set their work targets. For example, the Party Committee of the Shenyang Pneumatic Tools Plant has drawn up 26 goals including the political and ideological training of officials and workers. The workers' union has encouraged its members "to offer ideas to the director." Since last October, the director has received 430 suggestions on improving management and production. Two of them, helped increase profits by 420,000 yuan (about \$131,000).

According to the vice-mayor, the introduction of the new system in a factory usually works as follows:

-- Based on the workers' nomination, the higher authorities choose a candidate for the director. Under the director's guidance, a set of targets are proposed by each management department and workshop.

-- The Party committee examines a draft paper of the comprehensive goals. At the same time, the factory management committee, which includes the director, the Party secretary, representatives of the workers' union, the Communist Youth League and workers, also discusses it. Then it must be approved by the workers' congress. After the higher authorities approve the paper, they officially name the director.

-- The director then releases the paper and all factory workers study it. Each management department, workshop and group is asked to plan its workload according to defined goals.

-- The higher authorities appraise the director's performance in light of the comprehensive paper each year and at the end of his or her term. The procedure is recorded and an evaluation is written. After the director reads these documents, they are put into his or her personal file.

-- Based on the director's performance, rewards and penalties are decided accordingly. Rewards include citations and promotions. Penalties include criticism, loss of bonuses, salary reduction and dismissal.

Similarly, the director appraises his or her subordinates and workers.

-- At the end of the director's term, a higher personnel department will arrange an audit. A decent record is imperative for a director seeking another term or promotion. Illegal practices will be dealt with by the law. Disciplinary measures will be meted out for minor errors.

SHAANXI LEADER ON CHECKING UNHEALTHY TENDENCIES

HK311340 Xian SHAANXI RIBAO in Chinese 17 Jan 86 pp 1, 4

[Report: "Bai Jinian Emphasizes Consolidating the Achievements of Party Rectification and Checking Unhealthy Tendencies in Leading Organs"]

[Text] To get a correct understanding of the situation of party rectification, it is necessary to both fully affirm the achievements of party rectification and notice the existing shortcomings and continue to earnestly and solidly grasp well the work of party rectification. Individualism, bureaucracy, liberalism and vestiges of factionalism as well as the phenomena of being extremely irresponsible concerning work, which exist in leading organs at or above country level, should all be conscientiously rectified as grave unhealthy tendencies. These were what Comrade Bai Jinian, the provincial CPC secretary, pointed out at a party rectification work conference of the provincial CPC committee held not long ago.

Comrade Bai Jinian said that our province's first stage of party rectification has been completed and the bulk of the second stage of party rectification will be finished around the Spring Festival. At present, some people are saying that the party rectification has not been very effective. And some even say that "carrying out party rectification and not carrying out party rectification are exactly the same" and that party rectification means "to have conscientiously gone through the formalities. These viewpoints and comments are one-sided and incorrect. Objectively speaking, both the first and second stages of party rectification have scored tremendous achievements. The party rectification has ensured the health development of our province's economic structural reform and work in various fields and the smooth readjustment of leading groups at all levels.

Comrade Bai Jinian gave a brief account of several main works grasped by the provincial CPC committee in 1985:

First, we grasped the work of eliminating "leftism" and breaking with outmoded customs, freeing ourselves from old ideas and perfecting the normal democratic life within the party. By doing so, the "Incantation of the Golden Hoop" [used by the monk in the novel "Pilgrimage to the West" to keep the monkey king under control] which has fettered our minds for so long has begun to be smashed; and we can speak more openly than before and have become invigorated. Second, we grasped reform. In addition to the reform of the cadre system, we emphatically grasped the economic structural reform centering on urban areas, whose focal point is to invigorate enterprises. We can say that the price reform is very successful. As we had adopted a series of measures and made sufficient material preparations, the price readjustment was smoothly carried out. We also enacted some relevant measures to prevent price hikes. In particular, the increase in revenue has ensured the smooth progress of the wage reform and price readjustment. Third, we grasped the work of checking the unhealthy tendencies within the party and scored tremendous achievements. These include the following: 1) We straighten out the guiding ideology for vocational work and made the work of every department obey and serve the general task of the party, and the leaders at all levels work more in line with the CPC Central Committee. 2) We have basically checked the unhealthy tendencies of indiscriminately distributing bonuses and material objects, wildly pushing up commodity prices, and allowing party and government organizations to engage in business. During the party rectification, more than 100 million yuan of illegal capital was discovered throughout the province, a number of serious criminals were punished, and a number of cadres were redeemed. 3) We conducted education to thoroughly negate the "Cultural Revolution."

The unhealthy tendencies and things left by the "Cultural Revolution" which were once reflected in the ideological and work styles in establishing personal relationships everywhere, getting in by the back door, breeding factional strife, and so on, have been corrected. During the party rectification, "the people of three categories" were basically sorted out. 4) As we conducted the education in basic knowledge of the party, the fine traditions of the party have been restored and brought into play in varying degrees, and party members' sense of organization and discipline has been strengthened.

Comrade Bai Jinian said that judging by these achievements, we have accomplished the four tasks of unifying thinking, rectifying work style, strengthening discipline and purifying organization in the party rectification well. Of course, there are still some corrupt phenomena and people in some places. However, speaking in terms of whole party, the healthy forces still enjoy immense superiority within the party and the majority of party members and cadres are good or relatively good.

While commenting on rectifying unhealthy tendencies, Comrade Bai Jinian stressed that leading organs and cadres should fight not only the unhealthy tendencies in connection with reform and the economy but also the various unhealthy tendencies relating to politics, ideology, and work style and attitude. We must not underestimate the harmfulness of these tendencies which are characterized by the following:

First, some people are apathetic, irresponsible, dilatory and seriously bureaucratic in their work and just like to occupy leading positions but not do anything. For example, not long ago when organs at the provincial level were mobilizing their personnel to work in the countryside, most comrades performed very well. However, there were actually a number of cadres who did not perform very well, including some members of the third echelon that we are training. They were so frightened of working in the countryside that they regarded it as a dangerous road to take and found various extraordinary excuses for refusing to go to the countryside. How could this worrying problem crop up? One of the very important causes is that since the "Cultural Revolution," great changes have taken place in the structure of the cadre contingent, in which many cadres are university graduates or were formerly unemployed youth. Many of them do not even know what the countryside is like and lack sympathy for the peasants. As the 800 million peasants account for the bulk of China's population, being ignorant of the countryside means being ignorant of the reality of China, which will certainly result in being divorced from reality; and being ignorant of the peasants means being ignorant of the people in China, which will certainly result in being divorced from the people.

As the fundamental aim of our Communist Party is to serve the majority of the people, if these people do not want to work in the countryside and do not want to serve the vast number of peasants, are they still communists?

Some years ago, some people worked in such a leisurely fashion that they tended "to while away half of their office hours in drinking tea, smoking cigarettes, and reading newspapers." At present, following the same work style, some youths come to work late but leave early and spend much of their time handling personal affairs. There are also some comrades who dream about being officials all day long. Some have even reached the shameless extreme of writing letters to establish personal relationships and brazenly ask for official positions. When some cadres succeed in becoming officials, be it section chief or deputy department chief, they put on the airs of overlords and ask their secretaries to do everything for them, even the writing of short notes. Since they just want to be officials, they are satisfied to become any kind of "chief." This is utterly vulgar.

Second, acting in a seriously liberalistic fashion, some people tattle and prattle all day long and disseminate rumors. When an individual is promoted, these people go about inquiring who his "backstage boss" is and what kind of relationship they have. They simply view our party organizations, our organizational principles, and our interpersonal relationships from a feudalistic and bourgeois standpoint. How can this be tolerated? Some cadres in charge of very important affairs also make irresponsible comments. There are also cases of lodging false accusations. Some people write totally irresponsible letters to the upper levels, deliberately creating confusion. Therefore, "they spend 4 fen mailing a letter but you have to spend 6 months making investigations." This kind of evil tendency of liberalism should be checked right now.

Third, in handling relationships between individuals and organizations and between one individual and another, some people are still influenced by vestiges of factionalism. In judging people and things as well as right and wrong, some people do not proceed from the party's principles but from personal interests. As long as people are on good terms with them, they can change wrong into right; but if they are not, they can also change right into wrong or even give false testimonies. This kind of abominable behavior of making right into wrong, wrong into right, good into bad and bad into good is deviating from the party spirit and principles and is very harmful to oneself, to comrades, and to the revolutionary case.

Comrade Bai Jinian pointed out that these vestiges of individualism, bureaucracy, liberalism and factionalism as well as the phenomena of being extremely irresponsible concerning work should all be treated as serious unhealthy tendencies. We must not underestimate the harmfulness of these unhealthy tendencies. In some units, the harmfulness of these unhealthy tendencies has even surpassed the harm caused by unhealthy tendencies in the field of economies. Party and government organizations at all levels should attach importance to this problem. Whether it is in the form of making up for the missed lessons in the first stage of party rectification or putting a good end to the party rectification at the prefectural and county levels, the checking of these unhealthy tendencies should be considered an important task. Beginning with leading organs and cadres, party members and cadres should vie with each other in taking a good lead and strive to realize a fundamental improvement in the party's work style and social ethics.

'EXTREMELY SERIOUS' ECONOMIC CRIME IN XINJIANG

HK260341 Urumqi Xinjiang Regional Service in Mandarin 1300 GMT 25 Jan 86

[Excerpts] A regional economic procuratorial conference which concluded yesterday proposed that it is essential to seriously sum up experiences and launch in depth the struggle to crack down on serious economic crime, to ensure the smooth progress of reforms and socialist modernization in the region. The meeting pointed out: There is extremely serious economic crime in the region. The number of cases is increasing all the time, and many are major cases. Last year alone, 7.9 million yuan in losses were caused to the state and the collective.

The meeting held: The procuratorial organs are responsible for important tasks in cracking down on economic crime. We must enhance understanding and fully realize the current gravity and harmfulness of economic crime, and the importance of cracking down on serious economic crime. The leaders of the procuratorial organs must personally grasp and handle major and important cases. It is necessary to strengthen investigation, study, and guidance, and promptly get to know the new situation, characteristics, and trends in economic crime.

Ba Dai, member of the regional CPC Committee Standing Commission and secretary of the Political and Legal Committee, spoke at the meeting.

BEIJING URGES TAIWAN TO END TRAVEL RESTRICTIONS

OW051309 Beijing in Mandarin to Taiwan 1500 GMT 4 Feb 86

[Station commentator's commentary: "It Is Good To Comply With the Will of the People"]

[Text] In handling the relationship between the two sides of the Strait, the Taiwan authorities have recently done a number of things that conform with the trend of the times and the will of the people. They have allowed movie star Yang Huishan and her family to visit Hong Kong to meet with their relatives from the mainland, relaxed the restrictions on off-limit areas for Taiwan seamen hired by foreign companies, and permitted a few organizations to subscribe to newspapers and periodicals published on the mainland. Although these measures by the Taiwan authorities to relax control are rather limited, it should be pointed out that they are conducive to establishing postal, transportation, and trade relations, and shortening the distance between the two sides. Also the measures represent, to a certain extent, progress by the Taiwan authorities.

Regrettably the Taiwan authorities have been unstable, and sometimes capricious, in making such progress. Recently they have issued a so-called order strictly banning visits to the mainland by the people. As is universally known, the two sides of the Strait were originally one country. Every Chinese citizen has the right to travel freely between the two sides. It is deplorable that, due to the abnormal separation caused by the unfortunate past of the nation, the people have not been able to exercise this sacred right for several decades. In order to compensate the people, the two sides should now fully cooperate with each other and make things convenient for the people.

However, the Taiwan authorities have brazenly interfered in the exercise of this right by banning people from visiting the mainland. Their reason is that they are afraid that people may be trapped, as they call it, by the united front. As is known by all, the mainland's united front work is open to everyone. A united front work department is set up within the framework of the people's government. The united front is neither a conspiracy nor a trap. The ultimate goal of united front work is to unite all forces that can be united in working together for the benefit of the country and people. This was so in the past, it is so now, it will continue to be so, and there is nothing whatsoever to be afraid of. A number of personages within the Kuomintang, deeply conscious of the righteousness of the cause, cooperated with the CPC for a long time, and knew united front work very well. Hence, the Taiwan authorities' allegation about being trapped by the united front reveals their fear of people visiting the mainland. What are they afraid of? In the past, people were afraid of the mainland because of the dreadful propaganda treatment of the mainland by Taiwan's mass media. Owing to the opening in various channels abroad over the recent years, people on Taiwan have gradually come to understand the true situation on the mainland, thus dispelling their misunderstanding and apprehension, and exposing the lies of some people. As an old saying goes, it is better to see once than hear a hundred times. With this mentality in mind, many Taiwan compatriots naturally wish to visit and tour the mainland in order to make up their own minds on right and wrong. This is only reasonable. Especially those with relatives and old friends on the mainland try by every means to seek an opportunity to return to the mainland. All of these things reflect human feelings and are beyond reproach.

In view of the situation, the Taiwan authorities should ask themselves: Why do more people want to visit the mainland at a time when the authorities are more vigorously banning visits to the mainland? What does this show? The answer is simple: It is because people have already lost faith in the authorities.

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However, not knowing this situation, the authorities punish people who have visited the mainland with the so-called regulations governing exit from and entry into the Taiwan region during the period of the suppression of the rebellion. The consequences of this so-called suppression of the rebellion over the past few decades are well known to all. Today the situation has changed: The civil war has ended, and even the confrontation with artillery is a thing of past. Since January 1979, the people's government on the mainland has proposed peace talks between the Kuomintang and the CPC in order to fulfill jointly the great undertaking of the reunification of the motherland and to end the painful separation. Based on suggestions from various quarters, the mainland has successively made proposals for peaceful reunification of the motherland.

However, the Taiwan authorities have always rejected proposals for important matters concerning the future of the country and people (?in the three areas). Fearful of people's opposition to such a stubborn attitude, the Taiwan authorities have often intimidated people with the notorious banner of the so-called suppression of the rebellion. Didn't the hundreds of millions of compatriots pay a dear price for the so-called suppression of the rebellion in the past? Shouldn't the many human tragedies caused by it be ended as quickly as possible?

The Taiwan authorities so-called regulations governing exit from and entry into the Taiwan region during the period of suppression of the rebellion have long been opposed and spurned by the people on Taiwan. Parliamentarians on Taiwan have repeatedly appealed to the authorities to abolish the regulations. In short, the Taiwan authorities should learn the truth from the experience of the past decades that the will of the people cannot be ignored.

PRESIDENT CHIANG CHING-KUO REAFFIRMS POLICY

OW060139 Taipei Domestic Service in Mandarin 2300 GMT 4 Feb 86

[Text] President Chiang Ching-kuo invited the presidents and vice presidents of the Executive Yuan, the Legislative Yuan, the Judicial Yuan, the Examination Yuan, and the Control Yuan to a tea party yesterday at the Presidential Palace. He praised and encouraged government departments which worked hard to serve the people in the past year. He also exchanged views with the chiefs of the five yuans on the current political situation. After being briefed on the yuans' work, President Chiang pointed out: The five yuans constitute the entire government. They are endowed with the authority to exercise power in the spirit of the Constitution. However, they are complementary to one another in pursuit of the general interests of the nation. He also made several important instructions at the tea party:

The purpose of building national defense is to consolidate the foundation of the country. Over the years substantial progress has been made in building the Army and in war preparedness. Our present task is to put extra efforts into the research and development of national defense science, technology, and national defense industry in order to accelerate modernization of the national Army and to ensure national security.

A solid foundation has been laid in economic development. At this juncture of the transitional period, the whole nation should unite to forge ahead and overcome hurdles in order to enter the ranks of developed countries. Our economy maintained proper growth last year despite the influence of an international recession. We should continue to work hard in preparation for economic recovery.

We should uphold the highest principles of the Constitution and follow the course of democracy and law and order in political and social construction. Gearing to the need of the country, we should follow the best path and act accordingly.

Local elections last year and this showed the prevailing mood of the people: They long for political stability and social peace. Government departments should take this as a basis in implementing policy.

As for the construction of education and culture, we should aim at developing the intellectual education of our nationals. More attention should be paid to a broad, equal, and balanced development of intellectual education and its results. Today's ever-changing social situation makes it more important to foster independent thought, social ethics, a law-abiding spirit, and discipline in our citizens. We should continuously work toward strengthening that spirit so as to better contribute to the progress of the country.

Summing up the situation of the country last year, President Chiang noted that our country met with many difficulties; there were also many shortcomings in the administration of the government. However, difficulties were overcome one by one, thanks to the cooperation and close unity of the people, but more difficulties and obstacles still lie ahead. However, we should persevere and forge ahead so as to strive for bigger results.

President Chiang also stressed the need to uphold democracy and the Constitution, saying the basic national policy of anticommunism and recovery of the mainland will never be changed. The government should humbly review its policy from time to time. We should constantly seek renovation by following the route of strengthening the foundation of law and magnifying the role of the present system. He hoped that all would display the spirit of sincerity, hard work, and thrift; offer suggestions to raise the nation's standing and people's welfare; and unite as one to advance on the road to success.

CHIANG CHING-KUO URGES DILIGENCE BY KMT MEMBERS

OW060357 Taipei CNA in English 0316 GMT 6 Feb 86

[Text] Taipei, Feb. 5 (CNA) -- President Chiang Ching-kuo, in his capacity as chairman of the ruling political party Kuomintang, Wednesday called on party members to make more friends among the public, be humble and open-minded, in order to close all ranks of the nation to overcome any difficulties in a joint effort to build a new future.

Speaking at the Central Standing Committee meeting, Chiang said the Feb. 1 election at the local level bore great significance. He said he appreciates the general public's support to the ruling party. He also thanked election supervisors for their hard work during the past weeks.

The success of the election demonstrates the government's determination and confidence to fully implement the constitutional democracy in this country, no matter how difficult the situation would be, said the president.

The Kuomintang is a party that belongs to all the people. It is a progressive and open-minded party, he said. The KMT always stands with the republic, and abides by the basic principle of giving first and foremost consideration to serving national interest, he added.

The party should absolutely not be complacent with the success of the election in which the KMT won the majority of the seats, he said. On the contrary, he added: "We should humbly look into areas where improvement can be made, and continue our efforts to struggle further for the nation and the people.

President Chiang called on all KMT party workers to look upon themselves as "public servants," and to be diligent and sincere. Party workers should make more friends among the people and listen to the opinions of the people with an open mind, so as to unite national strength to create a new future for the nation, he urged.

President Chiang made the remarks after hearing reports on the local elections from Sung Shih-hsuan, director of the Department of Organizational Affairs; Kuan Chung, chairman of the KMT Taiwan Provincial Commission; and Chiu Chuang-huan, chairman of the Taiwan Provincial Election Commission.

MINISTRY WARNS TRADERS AGAINST PRC INTRIGUES

OW041001 Taipei International Service in English 0200 GMT 3 Feb 86

[Text] The Ministry of Economic Affairs [MOEA] of the Republic of China warned local businessmen who engage in trade transactions with their counterparts in Hong Kong against possible Chinese Communist political intrigues. The Ministry of Economic Affairs reported the Republic of China's trade with Hong Kong showed drastic ups and downs last year and suggested that local traders be on alert of Peking's united front tactics.

MOEA figures show trade with Hong Kong in the first 4 months last year registered a wide growth, ranging between 46 percent and 54.7 percent. However, Peking narrowed down its imports because of foreign exchange shortage after last May. Consequently, the Republic of China's export growth with Hong Kong dropped to 18.6 percent in May.

ZHU HOUZE ON CASE INVOLVING GENERALS' CHILDREN

HK051538 Hong Kong WEN WEI PO in Chinese 4 Feb 86 p 2

[Report by staff correspondent Cheng Hsiang: "Zhu Houze Confirms That Children of Generals Will Be Put on Trial"]

[Text] Beijing, 3 Feb -- Today Zhu Houze, director of the Propaganda Department of the CPC Central Committee, said: Everyone is equal before the law. This is more true of high-ranking cadres because they are more influential. Zhu Houze made these remarks when he answered questions raised by this reporter at a Spring Festival evening party held by the All-China Journalists Association.

When asked by a foreign reporter if the issue of two children of generals being jailed as reported by this newspaper will be made public, he said: "Our judicial organs are studying and handling the case. You may wait and read our newspapers."

He stressed that the central authorities were firmly determined to curb the unhealthy practices prevailing among high-ranking cadres. He did not rule out the possibility of making the details of related cases public.

FIRMS DENY BLAME FOR RADIOACTIVE CARGO INCIDENT

HK050711 Hong Kong SOUTH CHINA MORNING POST in English 5 Feb 86 p 1

[By Albert Chan]

[Text] The mystery of how an unlabelled cargo of radioactive material came to spend a month on a Hong Kong dock deepened yesterday -- with none of the firms involved ready to shoulder the blame. Indian Rare Earth Co which sold radioactive monazite sand to an American company last year and ended up with the cargo stranded in Hong Kong, said the blame for the whole incident should be put on the American firm.

Derby and Co of London which is a division of Pilipp Brothers, a US firm in New York, bought 500 tons of monazite sand from the Indian company last summer and shipped it to Shanghai via Hong Kong. The cargo did not carry a label stating that it was radioactive as required by law and it was refused entry by Shanghai port authorities when the Chinese discovered the cargo was radioactive.

The shipment was sent back to Hong Kong and stayed here for a month while negotiations proceeded with Chinese customs authorities.

A spokesman for the Indian company said from his Bombay office yesterday it was not the responsibility of his company to put labels on the cargo indicating it was radioactive. "We had not been instructed by Derby and Co to do so," he said. In London, Mr D. Hirsch of Derby and Co refused to comment on the case. He said enquiries should be directed to the press officer of the parent company in New York. The press officer was not available for comment yesterday at his New York office.

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